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# South and East Asia Report

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PRC REPORTED EAGER FOR NORMALIZATION OF TIES

Madras THE HINDU in English 11 Aug 81 p 1

[Article by G. K. Reddy]

[Text] New Delhi, Aug 10. There are renewed overtures from China for keeping up the tempo of normalisation, despite the delays involved in commencing a purposeful dialogue on the border question.

The Chinese are keen that an all-party Indian parliamentary delegation should pay a visit soon in response to the invitation extended earlier this year.

They are equally eager that the first batch of Indian pilgrims should go to Kailash and Mansarovar this year itself to set the tone for a similar renewal of contracts in other spheres.

The Chinese have been sounding representative institutions of scholars, scientists and economists whether they would be interested in visiting China under mutually acceptable auspices to help create a better understanding and establish a beneficial relationship between the two peoples. Some prestigious and influential personalities are being invited to pay these visits at their convenience.

These contacts of a semi-political or intellectual nature are intended to supplement the exchanges of sportsmen, cultural troupes and others that are already taking place. The intention is to step up the level of these non-official exchanges as a prelude to closer official contacts between the two Governments.

But the efforts made by either side for stepping up trade have not made much headway for various reasons. Apart from the absence of the necessary political desire on either side for establishing substantive economic relations, there is very little complementarity at present for carrying forward this endeavour beyond the stage of a token effort.

After the Indian participation in the annual Canton fairs, the representatives of State Trading Corporations and business houses visited China to explore the possibilities of increased commercial contacts. The shipping services were restored and banking arrangements made for opening letters of credits and remitting payments.

However, there has been no marked increase in commercial exchanges largely because of the continuing reservations of one kind or the other on either side.

Nevertheless, attempts are being made to sustain the efforts to the extent possible. The Chinese will be participating in international trade fair in Delhi.

There was at one time a suggestion that India could import some oil from China, but the idea was not actively pursued because it was thought that the heavy crude would not be suitable for refining at the existing installations in India without some major modifications.

In recent weeks, hints have been dropped by certain persons claiming to either speak on behalf of China or have access to the Chinese authorities that, Beijing was ready to supply heavy water to India as a token of its desire for technological cooperation.

At the political level, the two sides have yet to make any major moves for coming to grips with the border problem.

The proposed official talks may not begin till mid-November and nobody can hazard a guess at this stage whether the two sides will be able to get over the procedural hurdles soon enough to commence substantive negotiations in the near future.

There have been reports that the Chinese were carrying out an intensive survey of the disputed territory in the Ladakh area in recent months, perhaps as a prelude to these discussions.

It is not the absence of relevant data that stands in the way of an early settlement, but the reluctance on the part of Beijing to admit the reality that, as an aggrieved nation that had been subjected to aggression, India cannot accept the fait accompli in the name of a political settlement, without some compensating concessions from the Chinese side.

For negotiating any such settlement, the initiative will have to come from China to make it possible for India to accept a compromise solution.

The exchange of friendship delegations and the stepping up of people-to-people contacts will certainly help create the right climate for negotiations.

CSO: 4220/7544

CPI DENOUNCES REAGAN DECISION ON NEUTRON BOMB

Calcutta THE STATESMAN in English 11 Aug 81 pp 1, 9

[Excerpt] The Communist Party of India today denounced the decision of the Reagan Administration to go in for the manufacture of the neutron bomb and called it "a criminal act calculated to take the world another step near to a nuclear conflagration."

Mr N. K. Krishnan, secretary of the CPI's National Council, said in a statement here today that President Carter had taken a similar decision but has withdrawn it following pressure of the world peace movement.

Now President Reagan had reasserted the fateful decision in pursuance of his "mad and reckless policy of nuclear blackmail and intimidation," Mr Krishnan said.

The CPI leader said China "shamelessly" welcomes President Reagan's decision which, he alleged, was a part of China's policy of all-out alliance with the USA.

Mr Krishnan also alleged that "it is an essential part of this criminal policy of nuclear blackmail that the Washington-Beijing axis is helping the Zia dictatorship of Pakistan to develop the nuclear weapon."

CSO: 7542

## DELHI DENIES ISRAELIS VISAS TO ATTEND SCIENCE PARLEY

Bombay THE TIMES OF INDIA in English 12 Aug 81 pp 1, 13

[Article by S. Kumar: "Israeli Scientists Denied Visas"]

[Text] Bombay, August 11. The Indian scientific community is in a quandary owing to the external affairs ministry's refusal to grant visas to scientists from Israel for participating in international science conference held in this country.

The ministry seems to have tightened its rules, particularly after the Israeli attack on the Iraqi nuclear installations in June. If the government continues to impose partial or total restrictions on visiting scientists from Israel, South Africa, Taiwan and Pakistan, India will forfeit its chances of hosting international science conferences as international scientific unions may not extend their sponsorship, it is felt.

The latest one to face this problem is the Indian National Science Academy and the organising committee of the "international conference on the applications of the Massbauer effect." The conference was scheduled to be held in Srinagar from July 13 to 17 and three reputed Israeli scientists, including a woman, were to be among the delegates.

As the government of India has denied visas to them, the International Union for Pure and Applied Chemistry (IUPAC) has withdrawn its official sponsorship to the conference. The IUPAC constitution stipulates the basic policy of political non-discrimination and it affirms the rights of chemists of any country to adhere to or to associate with international activity in the field of chemistry without any regard to race, religion or political philosophy.

The IUPAC informed its Indian counterparts that no further meetings under the auspices of the union will take place in India until more satisfactory circumstances exist for the participation in them of all bona fide chemists from around the world.

The INSA, which organises all international science conferences in India, tried its best to avert a show-down with the IUPAC. It informed the union on June 12 that the government had not yet taken a final decision on issuing visas to the Israeli scientists. The union set the deadline of June 19 for hearing the final decision of India. As no progress was made in the matter, the union derecognised the conference.



Meanwhile, the Indian organising committee has now decided to hold the conference in December and the venue has also been changed to Jaipur. Though the government did not issue visas, some other arrangement has been made for Israeli participation, it is learnt. Yet, it remains to be seen whether the international union would retract its earlier decision at its meeting to be held in Belgium in the first week of September.

The Indian government stipulates that the participation of Israeli scientists should not be publicised and any publication brought out during the conference should not list their names. Also, they should not fly their national flag and they should be invited by the international organisation and not any Indian organisation.

In the case of South Africa, the scientists can visit on a person-to-person invitation and they should give an undertaking that they do not subscribe to the policy of apartheid.

In the case of Taiwan, the scientists should not fly their national flag and they should come only in their individual capacity and not as representatives of any organisation.

Similarly, the fate of the 18th international cosmic ray conference to be held in India in 1983 hangs in the balance. The organisers are awaiting the government's approval for inviting Israeli scientists to the conference. The International Union for Pure and Applied Physics (IUPAP) has a constitution identical with that of the IUPAC.

Again, it is not certain whether the government would allow the conference to be held in Kashmir. Incidentally, Prof. M. G. K. Menon, himself a distinguished cosmic ray physicist, is secretary to the department of science and technology and he is also the president of the INSA.

It is believed that the external affairs ministry did not envisage any serious repercussions when it decided on banning Israeli scientists from visiting India. Or else, it is said that the government wanted to take this blatantly anti-Israeli step to scotch the rumour emanating from Pakistan that India was having a secret deal with Israel to attack the Pakistani nuclear installations.

Despite, the government ban, a large number of scientists from the Jewish community do visit India as most of them possess American or British passports. In fact, of the three Israeli scientists who were to visit the conference last month one managed to get the visa on the strength of his British passport.

CSO: 4220/7548



## SOVIET TREATY ANNIVERSARY OBSERVED IN DELHI

New Delhi PATRIOT in English 11 Aug 81 pp 1, 7

[Text] The Indo-Soviet Treaty of Peace, Friendship and Cooperation is an affirmation of faith, mutual understanding, common beliefs and a desire for world peace between the peoples of India and the Soviet Union.

This was commonly expressed by both Indian and Soviet speakers, at a function held in the Capital on Monday to celebrate the 10th anniversary of the Treaty. The function was organised by the Friends of Soviet Union.

Vice-Chairman of the USSR Supreme Soviet and president of the Turkmanian Soviet Socialist Republic Bally Yazkuliev said that Soviet Union and India were two powers who strove for world peace, and the Treaty was the expression of the determination of the two to work for peace and detente.

It can be said without reservation that the past decade has been exceptionally good in the relations between the two countries and regular political contact, mutual exchange of visits, economic and cultural cooperation had become an integral part of the relationship, Mr Yazkuliev said.

Mr Yazkuliev, who arrived in the Capital on Monday at the head of a high-power delegation, said that his country treated with respect the policy of non-alignment followed by India, which had played an important part in the struggle for world peace.

The Treaty, he said, is not aimed at anybody, but shows how two countries with different economic and social systems could be good friends.

Vice-President M Hidayatullah in his address assured that India would endeavour to honour its commitments in the Treaty which was based on friendship, whose foundations were laid by Jawaharlal Nehru.

When the Treaty was signed, many eyebrows were raised, but the world will have seen by now that it is not aimed at anybody, the Vice-President said.

A message from Prime Minister Indira Gandhi was read out at the public meeting. 'In the decade that has passed since the Treaty was concluded, our friendship has become closer, and our cooperation in the realm of science, culture and commerce more diversified, without in any way conflicting with our independent stand on various issues,' the message read.

Speaking on the occasion, Union Information and Broadcasting Minister Vasant Sathe said that India and the Soviet Union are bound by strong ties of friendship and common resolve to safeguard peace, freedom and gains of progress not only of their own people but of the people of the world.

The friendship between the two countries, which had stood the test of time, is not based on any transient grains to either party. It is based on principles of trust and mutual understanding, he said.

Former Minister of External Affairs Swaran Singh, who signed the Treaty on behalf of India, said that the Treaty was the outcome of a friendship that was founded on a commonality of interests and approach on sensitive issues like support to countries struggling against colonial rule and imperialism.

Former Indian Ambassador to the Soviet Union and the US T. N. Kaul said that the Treaty was significant in the context of the present day world situation of increasing tension. He hoped that the example of the Indo-Soviet friendship treaty would be followed by other non-aligned countries.

Mr Swaran Singh and Mr H.K.L. Bhagat, MP also criticised the decision of the Reagan Government to go ahead with the manufacture of the neutron bomb.

Prof Nurul Hasan and Dr Satish Chandra also spoke at the meeting.

In the morning the USSR delegation headed by Mr Yazkuliev was received at the airport by Mr Vasant Sathe and Mr Nurul Hasan president of Friends of the Soviet Union and vice chairman of the Council of Scientific and Industrial Research (CSIR).

The delegation also includes Union of Soviet-Friendship Societies, Vice-Chairman G. D. Yanaev.

CSO: 4220/7546

## GOVERNMENT ASKS USSR LOAN FOR ALUMINA PLANT CONSTRUCTION

London 8 DAYS in English 8 Aug 81 p 25

[Text] THE INDIAN government has asked the Soviet Union for an Indian rupees 5bn (\$563m) loan for the construction of an 800,000-tonne-a-year alumina plant at Vishakapatnam in the southern state of Andhra Pradesh. If the Soviet Union declines to provide the credit, it is likely that India will tap the eurocurrency market. There is no provision for the plant in the country's sixth Five Year Plan (1980-1985).

India has already raised, in association with French banks, loans totalling \$650m for a 600,000-tonne-a-year alumina plant in the eastern state of Orissa. Work started recently on the project, which is being set up in collaboration with Aluminium Pechiney of France.

The steel and mines ministry is anxious that work on the Vishakapatnam plant should also begin soon. The Soviet Union has offered to finance 15 per cent of the project, but this is insufficient in view of the lack of domestic resources. The ministry has told the Soviet Union that, if it agrees to fund the entire project, it can buy all the alumina produced from the plant for several years.

Such 'buyback' arrangements are being made for a number of new industrial projects to overcome financing difficulties. A major example is the 1m-tonne steel plant being set up with Soviet collaboration at Vishakapatnam.

Since India's sixth plan — which involves a public sector outlay of IR913bn (\$102.8bn) — cannot be expanded to provide for projects proposed by many ministries, the Government is encouraging them to look for external sources of finance.

These include government-to-government loans as well as credits from the world capital markets.

● The Indian government wants the country's exports to rise by 18 per cent to IR84bn (\$9.5bn) in 1981-1982 following the IR55bn (\$6.2bn) trade deficit recorded in 1980-1981 which eroded foreign exchange reserves. A rapid rise in exports is needed to fund the growing import bill which reached a record IR117bn (\$13bn) in 1980-1981, as well as providing a cushion for the five-year development plan (1980-1985), according to Pranab Mukherjee, the minister of commerce.

## 'TASS' REPORTS CHARITABLE ORGANIZATIONS SERVE AS CIA COVER

Kabul NEW TIMES in English 23 Aug 81 p 3

[Text] Missionary and other "philanthropic" societies from a number of Western countries have once again stepped up their subversive activity in the Indian state of West Bengal.

An official spokesman for the state Government said in Calcutta that 13 foreign organizations, whose activity had been restricted by the Government at one time, began functioning once again but under other titles. Notwithstanding the change of label, however, their subversive essence remains the same, he emphasized.

Last year the West Bengal Government issued a decree banning the activity of the most 'zealous' Western 'philanthropists'. This was done after it was learned that foreign missionary and philanthropic societies serve as a convenient cover for CIA agents.

American special services are specially interested in those regions of India

where separatist organizations operate. It is not without reason that the Indian Press links the increased activity of the separatists from the so-called 'Therkhand liberation front' with the activity of foreign missionaries in West Bengal.

It is also common knowledge that staff members of the American consulate more than once organized various 'religious' seminars in Calcutta for leaders of the separatists in the north-eastern states of India, where means of wresting these parts of the country from India were discussed instead of theological questions. Missionaries frequently attended those gatherings.

Newspapers report that US consul-general in Calcutta Raymond Parkins travelled to Patna (Bihar state) ostensibly on missionary business but had a number of meetings with leaders of the separatist movements in Ranchi and Chota Nagpur district.

asked the American consulate in Calcutta to end its intervention in the internal affairs of the country. (Tass)

This is precisely why the Indian Government in 1980

## OIL COMMISSION SIGNS NEW CONTRACT WITH FRENCH FIRM

Madras THE HINDU in English 13 Aug 81 p 6

[Text]

NEW DELHI, Aug. 12.

Oil production in the Bombay High and associated off-shore areas will exceed 19 million tonnes a year by 1984-85 from the present level of eight million tonnes following the application of the advanced techniques and secondary recoveries to be made available to the Oil and Natural Gas Commission (ONGC) under a four-year agreement signed today with Compagnie Française des Pétroles (CFP) of France.

Mr. Lavraj Kumar, Secretary, Union Petroleum Ministry, and Mr. T. Venugopal, Chairman, ONGC, told newsmen here that the agreement did not stipulate any sharing of oil with the French company.

ONGC would pay CFP the actual costs and fees for the transfer of technology and the technical services rendered. Payment of fees was not related to production levels.

Mr. Venugopal said the total payment to the CFP would be between \$48 and \$50 millions (about Rs. 45 crores).

If the anticipated production of 19 million tonnes areas materialised by 1984-85, it will exceed the offshore production from the 13.2 million tonnes targeted for the Sixth Plan for 1984-85 by nearly six million tonnes and the total output including onshore production to 27.6 million tonnes as against the targeted 21.6 million tonnes.

No commitment by CFP. However, an important fact which emerged from the clarifications given by Mr. Venugopal and Mr. Lavraj Kumar is that the present contract does not impose any commitment on the French company to achieve a production of 19 million tonnes from the Bombay High and the associated offshore areas.

The reason for not seeking such a commitment is that it would have forced ONGC and the Government to agree to a share in the additional oil.

The services to be provided include data acquisition from CFP, the carrying out of laboratory studies, interpretation of field data, performance studies in

reservoir engineering, etc.

While the actual production is expected to reach 19 million tonnes by 1984-85, the annual rate will be 22 million tonnes, which means that by 1985-86 the production would be around 22 million tonnes.

Under the agreement with retrospective effect from April last, CFP will make available a maximum of 132 man-years of work.

Its technology and expertise will include assistance in the evaluation of the petroleum potential of the off-shore areas along the Bombay-Ratnagiri coast, starting from the Heera field in the north and extending to the west upto the shelf-edge.

The French firm will also advise ONGC on priority drilling of different prospects so that discoveries can be brought into production quickly.

The targeted 19 million tonnes will come from the Bombay High, North and South, Ratnagiri, Heera, Panna, Bombay High East and a small amount from the South Bassin oilfields.

The build-up of production will be from 8.3 million tonnes in 1981-82 to 13.95 million tonnes in 1982-83, 16.60 million tonnes in 1983-84, and 19.12 million tonnes in 1984-85.

Recovery method: The agreement provides for the updating of the development plans of the Bombay High North, South and East and of the Ratnagiri fields. CFP will not only do the conceptual surface engineering in line with reservoir studies to bring oil and gas fields into production, but will also assist in the continuous monitoring of the fields for initiation of secondary recovery methods.

All plans, design calculations, studies, maps, drawings, survey notes, specifications, construction records and all other specifically prepared documents will be the property of ONGC. The management and final decision-making authority concerning the project will rest entirely with it.

ONGC had signed an earlier technical cooperation agreement with CFP in April 1977.

INDUSTRIAL BANK TO TAP EUROCURRENCY, YEN MARKETS

New Delhi PATRIOT in English 13 Aug 81 p 5

[Text] Bombay, Aug 12 (UNI)—The Industrial Development Bank of India (IDBI) will soon tap funds from the Euro currency and yen markets to raise funds for industrial growth in the sixth Plan reports UNI.

Announcing this at a meeting here, IDBI chairman N. N. Pai yesterday said the higher cost of borrowing from these foreign markets could certainly be absorbed by companies with better profitability.

Though the public-sector financial institutions were doing their best to raise more funds to finance industrial projects, the private-sector units should also exert themselves to raise capital on their own, he said.

Mr Pai said that debentures of public limited companies will soon be made convertible like shares to attract more investors.

The financial institutions like IDBI would announce the prices of debentures like the stock market and the Unit Trust of India do for shares and units, Mr Pai said. A committee appointed for this purpose by the Reserve Bank of India would soon formulate the procedure.

Stock exchange had been told to give their opinions on this subject by the end of next week, he said and added that the secondary market for debenture would help private sector units attract more investment for their expansion programmes.

CSO: 4220/7558



## ECONOMIC MINISTERS HOLD JOINT PRESS CONFERENCE

New Delhi PATRIOT in English 14 Aug 81 pp 1, 7

[Text] A bill to enable the government to take deterrent action against overpricing and profiteering in essential commodities will be taken up at the monsoon session of the Lok Sabha beginning next week.

An assurance to this effect was given on Thursday night by the economic Ministers at a "tele-press conference," the first of its kind sponsored by the I & B Ministry.

The Ministers told an estimated 26 lakh audience over the national TV network that the government was determined to take up the bill at the earliest.

Present at the joint press conference were Mr Vasant Sathe Finance Minister, R. Venkataraman, Commerce Minister Pranab Mukherjee, Petroleum Minister P. C. Sethi Minister of State for Industry Charanjit Chana and Agriculture Minister Rao Birendra Singh.

Finance Minister Venkataraman said that while some increase was 'inevitable' in the present context of world economic situation government would see there was no runaway inflation in the country.

Rao Birendra Singh assured stringent action against traders who always had "a tendency to manipulate the market and exploit the situation."

Without compulsion on traders to sell products at reasonable prices there was little possibility of the price-tag system alone making it a success Mr Birendra Singh said.

He attributed the earlier success of the price-tag system "not so much due to price tags as to the emergency" when the traders knew government meant business.

Though prices could be fixed under the Essential Commodities Act the Agriculture Minister feared the commodities would disappear from the market if there was no mechanism to enforce the measure.

### Anti-Inflation Steps

Explaining government's antiinflationary package, Mr Venkataraman said government was arranging import of essential commodities precisely to supply them at reasonable prices to the people.



But there ought to be a proper distribution of the commodities so that they reached the people everywhere.

Rao Birendra Singh said government's main thrust was to open as many Fair Price Shops as possible to organised distribution.

He defended the decision to import foodgrains to meet the growing demands on the public distribution system. Though there had been no fall in production, which was estimated at 133 million tonnes, there was an increase in offtake from the public distribution system because of higher prices of food grains in the open market he said.

As against a buffer stock of 16.2 million tonnes, up to June last year, foodgrains stocks up to end of June this year amounted to 13.6 million tonnes, a shortfall of about 2.5 million tonnes.

#### Urban Land

Asked about the rising value of urban land, which disables middle and lower middle classes from buying flats to live in, Mr Venkataraman said it was 'causing a great deal of concern to government.' Unaccounted money circulating outside the banking system had posed a major threat to prospective middle class owners by pushing up the land value "beyond any reasonable level."

He said government would have been able to act more effectively in this connection had it not been 'prevented' by a large number of stay orders from the courts.

#### IMF Borrowing

Asked about India's request for IMF loans Mr Venkataraman allayed fears that the servicing burden would become too heavy as a result of the new loan. The Rs 5000-crore IMF loan should be seen in the background of the sixth Plan assumptions of external borrowing to the tune of Rs 12,000 crores, he added. The assumption was based on India's capacity to repay.

Asked specifically if IMF was demanding devaluation of the rupee as a condition-precedent for the loan, Mr Venkataraman said: "I am sorry people are unnecessary floating all kinds of guesses and rumours."

He however, declined to disclose details until negotiations were concluded, but added nothing would be done derogatory to the self-respect of the nation."

Commerce Minister Pranab Mukherjee said that one of the effective ways of rectifying the adverse trade balance was to reduce the dependence on imports in avoidable areas such as aluminium, steel materials and cement.

These three items alone accounted for Rs 1,200 crores during last year in the import bill.

Mr Mukherjee said that the trade deficit this year might be of the order of Rs 5,500 crores. The import of petroleum and petroleum products constituted 73 per cent of the export earnings and more than 55 per cent of the import bill.

He said a new export strategy was being chalked out and an export target of Rs 8,400 crores was being fixed for 1981-82 an 18 per cent growth over the previous year.

Mr Mukherjee said India did not visualise any serious competition or threat to India's trade expansion. China had been lately taking as positive a stand in favour of the developing countries, he added.

#### 10 P.C. Growth

Dr Charanjit Chanana claimed a 10 per cent industrial growth during the first quarter of the current financial year.

In order to give a momentum to industrialisation government had launched the nucleus plants scheme to promote development of backward districts. Out of 103 districts identified as backward, 51 had been identified as potential areas.

CSO: 4220/7560

## VENKATARAMAN DISCUSSES IMF LOAN, OTHER MATTERS

Calcutta THE STATESMAN in English 12 Aug 81 pp 1, 9

[Text] New Delhi, Aug 11--The Finance Minister, Mr R. Venkataraman, today dismissed as a mere "scare" speculations that the International Monetary Fund would impose very stiff conditions on India for the massive loan it was seeking, report PTI and UNI.

To say that the IMF would clamp such conditions and India would have to accept all of them "is merely to create a scare where nothing exists," he said.

The Finance Minister's comment in the course of an interview with All-India Radio was the first Government reaction to reports that the IMF might be demanding drastic measures (like devaluation of the rupee) as conditions for the SDR 5-billion (about \$5.65 billion) loan to India.

He assured the nation that the Government would not accept any conditions that would be "derogatory to its self-respect."

Defending the series of major measures taken by the Government in recent weeks relating to the economy, the Finance Minister said there had been a "significant deceleration" in prices from 1979-80. Inflation had come down to 9.8% on annual basis as on July 25, 1981, against 22.4% in 1979-80. The economy had also recovered to a "considerable extent," he said.

The Finance Minister said the decision to import wheat, sugar and edible oils was correct and it had started having an impact. He defended the new Ordinance, which gave power to the Government to ban strikes in essential services.

Mr Venkataraman explained the Government's "reasons for going in for the IMF loan." He said the balance of payments position was "very disturbing." The trade deficit was increasing at a very fast pace. In 1979-80, the deficit was increasing at a very fast pace. In 1979-80, the deficit was Rs 2,450 crores and in 1980-81 it rose to Rs 5,200 crores.

The oil bill, which was only Rs 1,690 crores, went up to Rs 5,400 crores in 1980-81. The situation threatened to continue as long as India had to import oil for its national requirements. Besides, the country had to import machinery and equipment during the Sixth Plan period. The balance of payments position would become more precarious unless India took some loans to cover these payments.

Mr Venkataraman said the Government hoped to reduce the consumption of crude by one million tonnes by 1982.

He said this would save Rs 900 crores in foreign exchange. The Government was also trying to ensure that petrol was used only for essential purposes, the Minister added.

He said India had a "very high reputation" in the international market as a borrower. It had raised over \$800 million in the Euro-dollar market and its credit rating was very high.

He said the discussions on the loan were still going on. Certain people, without knowing about the discussions and negotiations, were creating a scare "merely to score some debating point against the Government."

Mr Venkataraman said the import of wheat, despite a good harvest, was necessary for the creation of a buffer stock to maintain prices. The wheat was bought at the lowest price. It would go a long way to augment the buffer stock and prevent any hoarder or black-marketeer from taking advantage of shortages.

It was for the same reason that the Government had decided to import sugar and edible oils, he said. This was having its impact on the market. Sugar prices had come down.

Mr Venkataraman said the reaction of the trade unions to the Essential Services Maintenance Ordinance was not "appropriate." The Ordinance, he said, was only an "enabling measure" empower the Government to take action in the case of any paralysis of essential services. Trade unions should themselves come forward and give an assurance that there was no intention of paralysing essential services.

Mr Venkataraman thought the Ordinance would deter people from resorting to wild-cat strikes, go-slow and work-to-rule tactics.

When legislation for substituting the Ordinance was brought, the Government would also cover lay-offs and lock-outs in it, he added.

On the general economic situation, the Finance Minister said the measures taken during the tenure of the present Government were showing results. "I cannot say we have succeeded, but we are on the road to recovery." The Gross National Product had increased by 6.5% in 1980-81 against a decline of 4.5% in 1979-80. The first quarter of 1981-82 showed heartening signs of improvement, the Minister said.

CSO: 4220/7550

## PARLIAMENT HELD LIKELY TO QUESTION IMF LOAN

Calcutta THE STATESMAN in English 13 Aug 81 pp 1, 9

[Text] New Delhi, Aug 12—Mr R. Venkataraman, Minister for Finance, will come under heavy pressure during the monsoon session of Parliament to disclose the terms imposed by the International Monetary Fund for giving a loan to India under its Extended Financing Facility.

The negotiations for the loan—which is to be of the record amount of \$5 billion Special Drawing Rights, or nearly \$6 billion, the highest to be given to any country by the IMF—are virtually over. The executive board of the IMF will meet to finalize the terms.

If these are acceptable to India, a letter of intent will be issued followed by a highly secret agreement of the loan over a three-year period. If the conditions are not followed, the IMF has the right to stop disbursement of installments of the loan.

Mr Venkataraman's announcement on Monday night that the amount of the loan was nearly \$6 billion came as a surprise since it far exceeded the \$4 billion mentioned so far (even this would have been a record for any country). This indicates the seriousness of the balance of payments crisis that the Government expects in the next few years, mainly because of oil imports but exacerbated by other imports and the slow rise in exports.

The Minister is expected to resist the demand to reveal the conditions under which the IMF will sanction the loan. However, he will have to deal with the precedent set by the British Government which was forced by the House of Commons to make public the agreement on its \$2.7 billion loan about three years ago. This was, until India's application, the highest amount disbursed by the IMF.

Mr Venkataraman has tried to preempt the criticism and demands by the Opposition to make the disclosure by painting a rosy picture of the economy in a broadcast on Monday (during which he made the first official statement on the application for the IMF loan).

During the broadcast, he claimed that the price situation was improving compared to previous years and made a defence of the recent economic policy decisions taken by the Government. Not all these will convince the Opposition, especially his defence of the powers to ban strikes on essential services.



Indications are that the IMF will not insist on any major devaluation of the rupee of the kind that was carried out in 1966. This is the main ground on which the Opposition has criticised the loan application.

Nevertheless, no loan under the Extended Financing Facility--and especially one of the magnitude that India is seeking--is given without imposing conditions on what are called structural changes in the economy to improve the balance of payments position. In the case of other countries, these have related to such questions as elimination of subsidies, reduction of public expenditure and lower deficit financing.

Indian negotiators have argued that the Government has already taken a number of steps in this direction and hence the conditions should not be as stringent. The final decision on this, however, will be taken by the IMF's executive board.

A Staff Reporter adds: The West Bengal Finance Minister, Mr Ashok Mitra, said in Calcutta on Wednesday that Mr Venkataraman should disclose the terms of negotiations with the IMF to dispel fears from the minds of the people. He said that the people had the right to know the conditions.

Mr Mitra was commenting on the Union Finance Minister's reported statement that some people were trying to create a scare by saying that terms "may be derogatory where nothing exist." Mr Mitra said representatives of most of the Indian newspapers indicated in their despatches from Washington that the IMF was going to extract its pound of flesh.

The Finance Minister said that recently 23 eminent economists of the country unequivocally warned that by borrowing from the Fund on an unprecedented scale, the country would give the IMF "the power to impose its own style of economic discipline." The economists feared that it might close even our options of independent negotiations for commercial borrowing abroad, he added.

Mr Mitra said the country's experience on conditions of borrowing money from such international institutions was not happy. "We have to devalue our rupee in 1966 because of the pressure from the Fund," he said and added that such international organizations always tried to impose some conditions "outside the written terms of agreement."

He said that there were reasons to believe that the Ordinance banning strike in the essential services had been promulgated at the directive of the Fund.

He said that once the World Bank had imposed an "unwritten condition" on the Centre that a loan would be available if "a nominee of the Bank be made the chairman of Calcutta Port."

## DELHI REFUSES TO RELAX RULES ON INVESTMENT

New Delhi PATRIOT in English 11 Aug 81 p 5

[Tedt] The Central Government has refused to accede to the demand of the States for a blanket liberalisation of the policy on foreign investment and repatriation of profits to attract Gulf money, reports IPA.

The State Governments have been demanding such liberalisation to get Gulf money so that some of their projects starved of funds, could take off. But current thinking in the Union Finance Ministry is that any relaxation of the existing policy could be considered only in individual cases, after going into the merits of each case.

Further, all such projects should be in the joint sector and should not be outside the State Plan. This is obviously meant to ensure that the projects already included in the State plans get priority and that the State Governments make efforts to raise resources on their own.

These conditions are likely to act as a damper on the race currently being witnessed among States to get Gulf money by any means. Following the liberalisation of the policy in October last year for attracting petro-dollars to India several State Governments sent their delegations to Gulf countries to negotiate loans. These States included Gujarat, Maharashtra, Karnataka and Haryana.

But the actual experience of negotiations with financial consortiums in the Gulf countries during the last eight months has belied the hopes of these States.

It was found that investors from OPEC wanted India to give them some concessions as are given by some of the other developing countries of Asia like Singapore, Sri Lanka, Malaysia, Taiwan and Thailand. They have told the Indian delegations that they are not used to paying taxes in their own countries and as such wanted exemption from payment of taxes in India also.

Another demand was that during the tax holiday period no tax should be leviable on dividend declared out of the profits.

During the negotiations with Indian teams the OPEC investors had also demanded an accelerated rate of depreciation to be allowed to them. They had pleaded for exemption from wealth tax and capital gains tax so that in the event of sale of assets the entire sale proceeds could be repatriated. As a compromise, it was suggested that if these proceeds could not be allowed to be repatriated in single transfer, they should be allowed to be taken out of India in instalments over a period of time.



## CONCLUSIONS OF CALCUTTA ECONOMISTS PARLEY TOLD

Madras THE HINDU in English 12 Aug 81 p 8

[Article by Gautam Adhikari: "State of the Economy: Disturbing Trends"]

[Text] Twenty three leading economists met last week in Calcutta to discuss the state of the Indian economy. Their verdict--the economy is in a dismal state.

The West Bengal Government organised the meeting. The idea was to analyse recent disturbing trends in the economy and send suggestions surfacing at the discussions to the Union Government, other State governments and various political parties.

Participants included Bengal's Finance Minister, Mr Ashok Mitra, Mr I. S. Gulati (Trivandrum), Mr Balwant Reddy (Hyderabad), Mr Krishna Bharadwaj (Delhi), Mr Amit Bhaduri (Delhi), Mr Amiya Bagchi (Calcutta), Mr Ashim Dasgupta (Calcutta) and others.

The economists squarely blamed the Union Government for the economy's rudderless and inflationary drift. Further, the Government was now going in for an IMF loan of \$5 billions on fairly stiff terms: this was entirely unnecessary. The current level of deficit financing had already exceeded the target of the Sixth Plan and the Government would also import wheat, sugar and edible oils--a move which could well have been avoided through proper policies on procurement and distribution.

#### Poor Hit Hardest

The scope of discussion at the meeting was very wide but problem areas were identified beforehand. The meeting decided to concentrate on the following trouble spots of the economy:

(a) Inflation: There has been unprecedented inflation in India since 1972-73, barring a brief respite during two intermediate years. The poor have been hit hardest by galloping prices, substantial erosion of real incomes and purchasing power. Worse, persistent inflation has redistributed incomes from wages to profits thus tilting the structure of income and asset distribution further in favour of the rich.

Planned growth, which needs stable prices, has been impossible while rising prices have encouraged private investors towards speculation rather than towards capital formation. At the same time, massive budget deficits along with increasing reliance on indirect taxes had accentuated the problem.

(b) Infrastructure problems: Outputs and services provided by certain key sectors are an important determinant of production and prices. Such sectors--coal, steel, cement, transport, communications and power--are in little short of a chaotic state. Bewildering bottlenecks in one sector produce chain reactions in the others and one can only wistfully hope for dramatic improvements here.

#### High Prices

(c) Essential commodities: For the poor, who constitute an overwhelming majority of our population, the most devastating aspect of the present economic crisis is the shortage and the rising prices of essential commodities such as cereals, pulses, sugar, edible oils, kerosene, textiles, and so on. The system of public procurement and distribution of these basic wage goods is far from adequate.

Large segments of the rural poor and many of the urban poor have little access to ration cards or ration shops: hence, they have to rely on the market to meet their requirements of wage goods and open market prices, particularly in times of scarcity, are very high indeed.

(d) Black money: In recent years, the parallel economy in India has grown by leaps and bounds. A significant proportion of the black money, involved represents resources that might have flowed into productive investments, or resources that might have accrued to the Government in the form of tax revenues. Black money is a principal source of finance for hoarding, speculation and smuggling. The economic consequences of these activities are obvious enough: hoarding of essential commodities, speculation in real estate and illegal transactions in foreign exchange.

What is more the existence of the parallel economy tends to neutralise and blunt the impact of monetary and fiscal policies pursued by the Government, for instance, a rise in the bank rate and an increase in the statutory liquidity ratio cannot squeeze the black money economy or the non-banking financial intermediaries. Hoarders of black money have been offered a soft option in the form of special bearer bonds, and now there is even talk of index-linked bearer bonds.

(a) Balance of payments: The country's present balance of payments is precarious. The Union Government has always been excessively concerned with correcting the balance of payments deficit in the short run, and has paid little attention to the impact of overall economic performance on the balance of payments. In the very short run, it might be possible to circumvent the adverse situation by massive borrowing from abroad, running down foreign, exchange reserves, and attempting to improve the balance of trade.

In the medium term or the long run, however, it would imply a reduction in absorption--both consumption and investment--thus affecting living standards as also growth performance. Borrowing abroad would give rise to an enormous burden of debt servicing, while the running down of reserves would eliminate the cushion so that the adjustment in the economy would have to be very drastic when the inevitable crunch does come.

#### Growth Rate

To give a statistical summary of the Indian situation, during the period 1950-51 to 1978-79, the average annual rate of growth of national income was 3.5 per cent, of agricultural production 2.7 per cent and of industrial production 6.1 per cent. In per-capita terms however, income has grown at rate of only 1.3 per cent per annum. After allowing for the rising share of investment of national income this has meant a 1.1 per cent per annum rise in per-capita consumption.

Even this limited economic growth has been distributed in an unequal manner between classes and regions. Around 50 per cent of the Indian population remains below the poverty line, which adds up to 300 million desperately poor men, women and children.

#### No Basis

At the end of the two day meeting, the 23 economists issued a statement to caution and advise the Government. It was, because it turned out to be a repetition of conventional wisdom though there were important points that were well made to summarise the main points:

Among the important points were:

(a) The view that "wage-push" and "labour indiscipline" have tapped the economy in a situation of low production, low investment and high prices has no basis in fact. On the contrary, the mandays lost this year through lock-outs exceed the mandays lost through strikes.

The recent ordinance empowering the Government to ban strikes would impair the bargaining power of the workers in the face of inflation and is totally unwarranted. The need actually is for measures that not only protect the real earnings of the workers but also ensure a steady increase.

(b) The Government of India is attempting to increase business profits and profitability through fiscal concessions and manipulation of administered prices. This is a major reason underlying the paucity of resources for public investment. Even the low level of public investment in recent years has been sustained mainly by an increasing resort to deficit financing and indirect taxation.

Indirect taxes are increasingly encompassing essential items of mass consumption. The ratio of direct to indirect taxes has steadily fallen. At present the share of direct taxes is less than 20 per cent of total tax revenue.

In addition, the Central Government has resorted to price increase in the case of several commodities, including petroleum products, fertiliser and coal, which are disguised forms of indirect taxation except for the fact that, unlike as in the case of excise duties, the proceeds of these price increases do not have to be shared with the States.

The situation demands greater reliance on direct taxes. It is often wrongly suggested that low rates of direct taxes will improve tax collection by reducing tax evasion. There is simply no evidence for this: and indeed while tax rates have been lowered since 1975, there has been no improvement in tax compliance. In order to improve the collection of direct taxes, what is required is the introduction of effective measures of detection and punishment which do not exist today.

#### Black Money

(c) The non-banking financial companies and partnership firms usually act as channels for converting black money into white, and for generating black money. They give rise to distortions and inequalities, which get further aggravated in an inflationary situation.

The Reserve Bank of India Act already gives the Bank powers to regulate firms as well as companies above a certain size or class, but the partnership firms have not been regulated so far. This power should be strictly exercised: all non-banking financial agencies currently outside the purview of the regulatory powers of the Reserve Bank should be either brought under the same discipline or banned.

(d) In so far as ownership of real estate and transaction in real estate serve as vehicles for generation and expenditure of black money, measures should be designed to tax urban property on the basis of its current capital value rather than on the ridiculously low nominal value and to bring real estate transactions within the purview of a public agency so that taxes can be imposed on the correct values of the estates changing hands. In order to check undervaluation, the local population should be involved, if necessary, in the process of assessment.

(e) In order to protect the poorer sections of our society from inflation, there must be a comprehensive programme for the procurement and distribution of essential commodities, covering both urban and rural areas. Effective procurement of foodgrains calls for the reintroduction of food zones and a system of differential levies.

What is also needed is an effective intervention in the foodgrains trade so as to eliminate distress sales on the part of poor peasants by offering them fair procurement prices. Procurement prices must be related to the costs of production. In addition, the narrow segment of the rural population whose prosperity has increased immensely in recent years should be brought into the orbit of direct taxation.

#### Food for Work Programme

(f) In case the situation so demands, the Government should examine afresh the issues relating to the takeover of the wholesale trade in foodgrains and the role of the State Governments for this purpose.



The Food-for-Work Programme should be revived at once and should have the first claim on the stock of foodgrains in the hands of the Government over all other commitments.

(g) The present balance of payments situation is difficult: nevertheless, there is still considerable scope for saving foreign exchange by curbing unnecessary imports and increasing domestic capacity utilisation in the importable sector.

Instead, the present policy tends to rely almost entirely on the wishful thinking that Indian exports can be increased massively even in the context of the current world recession. In this pursuit of export promotion, imports of goods, technology and capital are being liberalised in an unthinking manner.

The reluctance of the Government to mobilise domestic resources has led to a deliberate increase in the import content of output even at the expense of the utilisation of domestic capacity and technological capability. Even the recent decision to import wheat, sugar and edible oils could have been avoided if a different set of domestic policies had been pursued.

Import liberalisation hinders the growth of Indian science and technology, impedes progress towards technological self-reliance and worsens the prospects of employment generation.

#### Suicidal Path

(h) Such a general policy towards import liberalisation is reinforced by IMF and also the World Bank. This is now leading the country along a suicidal path of borrowing from IMF on an unprecedented scale, which only postpones the day of reckoning with the balance of payments problems, and gives IMF the power to impose its own style of "economic discipline."

The "real problem" troubling the Indian economy is, however, touched upon in a background note to the meeting. The problem is not that private investment or capital is stifled: it is really that the size of the domestic market is limited because the overwhelming majority of the Indian people is not in the market for industrial goods. They are simply too poor, and anxious about the evening's dal and roti, to provide a market for industrial goods.

#### Poverty on the Increase

The problem therefore, is one of social justice, of gross inequalities, and of dal and roti to start with. As late as 1977-78, the Planning Commission estimated that around 50 per cent of the population of this country lived below the poverty line defined in terms of minimum calorific intake of food. The estimate took no account of other basic needs as housing, health care and education. And there is every evidence to suggest that the incidence of poverty is increasing over the years despite grand development planning.

In this connection, it would be worthwhile to point to a recent study of world poverty carried out on the basis of the physical quality of life index (POLI). The results of the study have been reproduced in a 1980 article in CHALLENGE magazine.

The POLI is based on the average of life expectancy, at the age one, infant mortality and literacy. The scores secured by various countries have been placed in five categories--the highest showing countries with a POLI score of 90 and above, the lowest consisting of those countries scoring 30 or below. In this list, India, one of the world's largest industrial democracies and with the world's third largest pool of scientific talent, figures second from the last category. This category consists of countries with a POLI rating of 31 to 55.

Even China comes in the next higher category of POLI 56 to 77 along with countries like Brazil, Turkey and South Africa. Countries which figure in the category below India's include some Saharan nations, Nepal, Afghanistan, Laos, Angola and a few others.

In current development thinking scores secured by a country in the POLI or similar indices should show whether that country is progressing, or otherwise, and not the growth of GNP alone. Why should India score so low after 34 years of planned development in a supposedly socialistic pattern of society is a question that raises fundamental doubts. And here the Calcutta meeting chose to remain quiet.

For some reason, the economists shied away from the fundamental questioning although they were leftists to a man. The chairman of the meeting. Mr Gulati, in fact, said the participants had "agreed not to take a fundamentalist position asking for structural changes." This could be a point of criticism against the meeting, that it was not bold enough.

Perhaps in India today, leftists too have opted for remaining Jonah-like, comfortably ensconced "inside the whale" to use an Orwellian analogy. They too, with their meetings, papers and conventional criticism, are possibly very much a functioning part of the existing social structure, globe trotting economists and parliamentary politicians alike. When you are inside the whale and yards of blubber insulate you from the outside asking fundamental questions and moving for structural changes becomes *de trop*, even *gauche*. Tinkering with the existing system could be a redeeming exercise under the circumstances. It is better certainly than doing nothing.

CSO: 4220/7551

## REPORTER GIVES BACKGROUND TO CAUVERY TALKS

Madras THE HINDU in English 12 Aug 81 p 9

[Text] Bangalore, Aug 11. The Centre's reported move for takeover of the control, distribution and management of inter-State river waters in view of the inordinate delay in the settlement of the disputes over their sharing, has added a new dimension to the Cauvery talks, beginning in Delhi on Thursday.

The recent statement of the Karnataka Irrigation Advisory Board has made it clear that the State is opposed to the take-over move and will try to persuade the Centre not to resort to it.

10-Point Formula: At last December's talks in Madras, Karnataka had put forward a 10-point formula, under which it sought de novo consideration of the issue of sharing the Cauvery waters among the four riparian States.

The formula based on the general principles laid down by the Indus Commission and the International Law Association on the sharing of inter-State and international waters, stresses the cooperative approach of all the basin States as the concept of collective ownership is involved.

Favouring negotiations among the basin States for a settlement, Karnataka has already submitted a draft Cauvery agreement, based on its 10-point formula, to the Centre and the other three States concerned.

Tamil Nadu has submitted a separate proposal reiterating its commitment to the 1924 agreement and its continued validity. Karnataka does not consider this stand helpful.

1924 Accord: Karnataka, which has made its stand clear, argues that the 1924 agreement (between the erstwhile composite Madras State and the former princely State of Mysore) whose 50-year term had expired in 1974, was no more valid in law and was not enforceable.

It says that the accord was entered into between two unequal parties, the then British Paramountcy represented by Madras and the feudal State of Mysore under the Maharaja.

With the coming into force of the Constitution of India, all princely States, which had no separate political and legal entity, had become extinct.



Also, in 1924, there were five States claiming collective ownership over the waters of the Cauvery basin, namely, Pondicherry, old Madras, old Mysore, Coorg (where the river takes its birth), and Travancore-Cochin. Yet only two States namely, Mysore and Madras, entered into an agreement to the exclusion of the rights and privileges of the other three States.

It has been pointed out that Tamil Nadu contributed only about 32 percent of the waters of the Cauvery basin, but its irrigation development in the basin was as much as 28 lakh acres.

On the other hand, Karnataka, with a contribution of 52 per cent of the waters, had an irrigation development of only seven lakh acres.

This "lop-sided" growth in the irrigation had taken place since the provisions of the 1924 agreement were heavily weighted against Karnataka and had conferred a virtual veto power on Madras as a lower riparian State, a phenomenon considered unknown in the history of irrigation law.

**Projects Not Cleared:** It so transpired, according to Karnataka, that during the pendency of the 1924 accord, all projects submitted by Tamil Nadu (then Madras) with or without regard to the provisions of the agreement, had been promptly cleared by the Government of India and the Planning Commission--without even being referred to Karnataka, let alone seeking its concurrence.

On the other hand, every project submitted by Karnataka (then Mysore)--the Hemavathy, the Harangi and the Kabini--was sent to the then Madras Government for its concurrence and comments.

To this day, the Centre has not cleared the Karnataka projects, despite repeated representations. Therefore, the State has been driven to the necessity of taking up for construction the three projects outside the Plan to utilise what it considers its rightful share of water in the Cauvery basin. All three projects are now in an advanced stage of construction.

The existing utilisation of the Cauvery waters in Tamil Nadu is 546 TMC ft and Karnataka 177 TMC ft.

A 16-member Karnataka team, headed by the Chief Minister, Mr R. Gundu Rao, is leaving here tomorrow for the Delhi talks.

CSO: 4220/7551

AGRICULTURAL EXPORTS RISE BY 35 PERCENT

New Delhi PATRIOT in English 13 Aug 81 p 5

[Text] India's exports of agricultural items have recorded a growth of 35 per cent in the April-June quarter this year.

The outlook of exports for the year has been rated by Commerce Minister Pranab Mukherjee, as 'somewhat better' than 1980-81. This is so because of brighter prospects for agricultural and industrial production and improved infra-structural facilities, he says in an Independence Day feature.

The first quarter exports of agricultural goods are estimated at Rs 269.18 crores compared to Rs 199.3 crores recorded in the corresponding period of last year.

Of the agricultural items, significant rise has been recorded in exports of cashew, tobacco, groundnut, cottonseed and soyabean extractions, shellac and processed food.

The Commerce Minister has estimated the increase in exports of certain non-traditional and dynamic sectors during 1980-81 at between 30 and 60 per cent. The sectors include engineering goods, basic chemicals, pharmaceuticals, plastics and linoleum, handicrafts and woollen manufactures.

Sugar, leather and leather manufactures, marine products and spices are items where Mr Mukherjee reported 'considerable set-back' in exports last year.

CSO: 4220/7558

## SAUDIS ALLEGEDLY FUND HARIJAN CONVERSION EFFORTS

Madras THE HINDU in English 13 Aug 81 p 9

[Text] Madurai, Aug 12. Mr R. V. Swaminathan, Union Minister of State for Agriculture, today said he had information that a Muslim educational institution in Tiruchi had received Rs 3 crores from Saudi Arabia recently.

"Such funds may possibly be used for getting Harijans converted to Islam," he told newsmen. The Government of India had got information that Gulf money too had a role to play in conversions and an investigation was now on by the Centre.

He could not also ignore the rumour that there was a political motive behind the conversions.

He said untouchability might not be the reason as this had almost disappeared in Tamil Nadu. He could not say whether an ordinance could be promulgated to prevent conversions. Such things had to be dealt with by legal experts.

Meanwhile, this reporter made a survey in select places in Ramnad and Madurai districts of Harijans who had embraced Islam.

Converts happy: In Anthiyoothu village, near Ramnad, such converts were happy because they were "no longer subjected to humiliation or ill-treatment." Converts in Llamanoor, Melakoottai and Kooriyur had adopted the dress, behaviour and way of greeting of Muslims. A significant feature as stated by one of the converts was that as Harijans they were addicted to drinks which they had now given up. They were also taking a bath daily and praying at least thrice a day.

Voluntary: According to Maulvis in the area, the Harijans had voluntarily accepted Islam. They rejected as baseless reports of foreign money being used to "purchase" Harijans.

A young man, who continued to remain in the Hindu fold, said at Llamanoor village that many like him were tempted to embrace Islam because of "atrocities" committed on Harijans.

There were also allegations at Llamanoor of the ill-treatment of converts by non-Harijans. A cross-section of the converts denied the allegation that the new converts were not treated as Muslims.

A significant feature was that boys had begun to learn the Koran.

The new converts here denied that they were allotted separate enclosures for prayers inside mosques. In fact, it would be difficult to recite prayers remaining in seclusion as prayers were normally done in groups and at the fixed time.

Plan for conversions in another village

Our Tirunelveli Staff Reporter writes:

The 21-member parliamentary committee for the welfare of Scheduled Castes visited Meenakshipuram on Tuesday and held an enquiry into the causes for the mass conversion of Harijans to Islam there in February last.

The committee's sitting was in camera. People belonging to all sections gave their views besides submitting memoranda.

There is talk in Meenakshipuram that Harijans who had become Muslims were persuading their relations in the neighbouring village, Viswanathapuram to come into the fold of Islam.

It is stated that there is a campaign to seek signatures of those who were willing to become Muslims. It is also stated that there was a plan for mass conversion of harijans in Viswanathapuram on August 15 but the date had been postponed by a few days.

A feature in Meenakshipuram is that Muslims from far-flung places in the country visit the village by vans and cars and fraternise with those who had joined their ranks recently.

They include women who go to the houses of the new converts and teach Muslim prayers to women.

"Even if the State has a right to clamp such a ban under the Supreme Court's judgment, it is not desirable because it brings in an element of compulsion," he said, reacting to the reported statement of the Religious Endowments Minister, Mr R. M. Veerappan that the Tamil Nadu Government was considering legislation on these lines.

Addressing a press conference today, Mr Bhaktavatsalam said there had been conversions from Hinduism to Jainism and other faiths before, but they were mostly sporadic. "Now the talk of conversion to Islam seems to have become a fashion and even a means of blackmail."

There could be absolutely no objection to anyone embracing any religion out of conviction, but what caused concern was the "wave of conversions" and the possible reasons for them. The situation must be taken serious note of by the Government and men in public life.

By and large, the former Chief Minister said, caste Hindus and Harijans were living in amity. Only a minority on either side was aggressive and it was this group that required to be tempered. The Government must be vigilant and act at

the slightest sign of communal bickering. Intensive propaganda must be launched among Harijans and caste Hindus to make them shed mutual illwill.

Sometimes police had been found to identify themselves with one community or the other and this led to frustration in the aggrieved party. Prompt and impartial action by the police was called for.

While welcoming the proposed special worship for Harijans and common feast in temples on Independence Day, Mr Bhaktavatsalam said the spirit behind it must be sustained. He suggested that everyone should take a pledge on August 15 to end untouchability and caste discrimination.

Above all, temples must be close links with the local people and become nerve centres of social activity.

CSO: 4220/7557

## JANATA LEADER CALLS FOR WAR ON CASTE SYSTEM

Calcutta THE STATESMAN in English 13 Aug 81 p 9

[Text] New Delhi, Aug 12--Rejecting the theory that foreign money and coercion were the causes of mass conversions to Islam, Mr Subramaniam Swamy yesterday suggested total war on the caste system to save Hindu society from the present crisis.

He also suggested that the National Integration Council should convene a meeting of religious, political and social leaders "to discuss how to generate confidence of Harijans in Hindu society."

The Janata leader, who visited Meenakshipuram, a few days ago, said here that the Meenakshipuram phenomenon was spreading throughout the country representing a massive vote of no-confidence by the Harijans against Hindu Society. The Harijans were likely to be followed soon by the Adivasi's for much the same reasons: oppression, exploitation and rape by the caste Hindus.

He said those propagating that foreign money was the primary reason for the conversion were enemies of Hindu society. They were distracting the attention from the evils of the society, and directing it to create hate against Muslims and Arabs for their own political ends.

It was significant that after the ostentatious Hindu Sammelan on July 15, not one so-called Hindu leader had visited Meenakshipuram to redeem the promises made at the sammelan.

Mr Swamy suggested that politicians should stop asking vote on caste-basis, marriages should be promoted by social organizations on inter-caste lines, all religious leaders should regularly denounce the caste system, and disown it, and political parties should make it a special plank to provide political status and security to Harijan workers at the village level. "So far we have thought of Harijans politically only at the national level," he said.

Meanwhile, some representatives of Harijans in Bangalore decided at a meeting yesterday to quit Hinduism on August 15, adds UNI.

According to Mr M. Kanniyah, general secretary of the Karnataka Harijans Welfare Association, the meeting was attended by about 500 representatives and it was decided that each representative would persuade 30 to 40 Harijans in their locality to quit Hinduism.



He said in a statement that the participants had also decided to remove portraits of Hindu gods from their houses on Independence Day.

PTI adds: According to a Tamil Nadu Minister, Mr R. M. Veerappan, the State Government is considering enacting a legislation in consultation with the Centre to ban conversion of Hindus.

Mr Veerappan said in Thanjavur yesterday that the Tamil Nadu Government had also decided to organize social functions with joint participation by Harijans and other Hindus.

A report from Tirupati reveals that while Harijans have been embracing Islam, a Muslim wants pujas to be performed in his name at the abode of the Lord of Seven Hills at Tirumala.

CSO: 4220/7555

## TAMIL NADU MINISTER DISCUSSES CONVERSION PROBLEM

Madras THE HINDU in English 12 Aug 81 p 1

[Text]

THANJAVUR, Aug 11

The Tamil Nadu Government was considering legislation to ban mass conversions from Hinduism if the situation warranted, said Mr. R. M. Veerappan, Minister for Information and Hindu Religious Endowments, here today.

Talking to newsmen, he said a Supreme Court judgment in 1977 had clearly stated that if mass conversions by fraudulent means gave room for law and order problems, the State had the right to pass legislation to ban them.

The State Government had received representations from Kuruvadu Adigalar and some Mutt heads and religious leaders quoting the Supreme Court judgment to put a ban on conversions.

In consultation with the Centre, the Government would pass legislation, if necessary. However, the present situation did not warrant such action since the conversions were not strictly on religious grounds but due to various other considerations.

Conversion to a new religion did not and could not give new rights or privileges to any section and the Government would not allow anyone to escape from the general law of the country, the Minister said.

The atmosphere of apprehension in the minds of Adi Dravidas should be cleared by the public, religious heads and especially by the caste-Hindus. There was absolutely no room for violence or high-handed action when a slow social evolution was taking place. The caste-Hindus should change their attitude of hostility and accept the progressive and rational ideas of the Adi Dravidas, the Minister said.—Our Staff Reporter.

Conversion move given up

PTI, UNI report.

Harjans of Vinayakapuram and Allapuram villages near Vellore have rescinded their decision to embrace Islam on Independence Day following an assurance from the revenue authorities that their grievances would be redressed as early as possible.

After they had held out the threat a fortnight ago, the Vellore Tahsildar and Block Development Officer visited the Harjan colonies and ascertained their demands, which included better sanitary facilities, drinking water, house-sites and burial ground.

Brotherhood among Hindus

An organisation called the "Hindu Sahodara Abhinavuddi Sangam" to foster brotherhood among all sections of Hindus is to be set up under the guidance of the Junior Sankaracharya of Kanchi Kamakoti Peetham, Sri Jayendra Saraswati.

This was decided in Guruvayur on Monday evening at a meeting of representatives of a number of religious and cultural Hindu organisations from Tamil Nadu and Pondicherry as well as Guruvayur area in the presence of the Acharya.

Addressing the gathering, the Acharya said Hinduism believed in tolerance and co-existence of religions. But that did not mean that others could attack or "hurt" the Hindu faith.

The Acharya has urged the Government to inquire into the allegation that Harjans were being influenced by monetary inducements to embrace other religions. He also called for a check on the flow of foreign money into the country.

He said Harjans converted to other religions should be disqualified for the privileges provided for them in the Constitution.

The Acharya exhorted the Hindus to treat the Harjans with a feeling of brotherhood and lauded the work of organisations like the Rashtriya Swayamsevak Sangh (RSS), the Hindu Mahasabha and the Anya Samaj.

Some of the decisions taken at the meeting were: Retention of the name "Harjans" as advocated by Mahatma Gandhi instead of "Adi Dravidas" adopted by the Tamil Nadu Government; the Union and State Governments should implement all Harjan welfare schemes effectively and the police should be asked to act impartially in cases involving Harjan interests.

## CPI ANXIOUS OVER 'POLITICAL TERRORISM' IN BIHAR

## Secretary's Statement

New Delhi PATRIOT in English 12 Aug 81 p 7

[Text] The CPI has urged Home Minister Zail Singh to immediately intervene and ensure effective measures to put down political terrorism against CPI workers in Bihar.

In a statement on Tuesday, party central secretariat member N. K. Krishnan said the CPI was taking an extremely serious view of the fact that a number of CPI leaders and workers had been killed in a "planned cold-blooded manner in a wave of political murders in Bihar directed against our party."

He listed the CPI members killed as Mr Badri Narain Singh and Mr Ram Bachhan Mahato (in broad daylight in Kahagaria district in gruesome manner last week); Mr Medini Saho (general secretary of the Kahagaria district Khet Mazdoor Union who had been beaten to death by group of constables in the campus of a police station). Besides, there were several murderous assaults on the life of CPI's Kahagaria district secretary Satya Narain Singh (who had given a tough fight to the Cong-I Minister for Cooperatives during the last Assembly election and had lost by a very narrow margin).

"In most of these assaults against CPI comrades, Cong-I people, including a Minister of the State Government, have been involved," Mr Krishnan alleged.

The attacks were directed against the CPI workers as the party was standing in the forefront of the struggle for the defence of the interests of the working class and of the oppressed and downtrodden in the villages against the anti-people policies of the State Government, he explained.

Highlighting the refusal of the State Ministry to take effective action to meet the situation, the CPI leader said the incidents "thoroughly expose the breakdown of law and order in Bihar today as a direct result of the anti-people policies of the state Government" as a consequence of which the entire fabric of social life had been put at the mercy of anti-social criminals and notorious police officials enjoying official patronage.

### Bihar Executive Meeting

New Delhi PATRIOT in English 12 Aug 81 p 7

[Text] Patna, Aug 11--The executive committee of the Bihar council of the CPI, at its meeting held here, today expressed grave concern over the 'ruthless murder of Khagaria district council secretariat member Baedri Narain Singh and another party member Ram Bachan. The executive demanded a judicial probe into the incident and severe punishment to those found guilty.

The executive was of the opinion that these were political murders in which the Cong-I was involved. Past experience showed that the party, in connivance with the police and the landlords had been attacking the CPI workers engaged in public welfare work. It added that some time back Khagaria district council secretariate member Medini Sao was murdered in Chautham police station.

The executive while paying tribute to the two party members also paid homage to veteran Communist leader Bhupesh Gupta through another resolution.

The condolence resolution passed by the committee said that the Communist Party had lost its leader and the nation had lost a great revolutionary. The void created by his death could not be filled, it added. The executive committee resolved that the party would complete his unfinished work.

CSO: 4220/7552

## GANDHI REPORTED ASSUMING WIDER PARTY POWERS

New Delhi PATRIOT in English 14 Aug 81 pp 1, 7

[Text] AICC-I general-secretaries, conveners of the various cells at the AICC-I and PCC-I levels and all organisations like the youth Cong-I will soon lose their powers to appoint office-bearers of their respective local units.

The Cong-I has about a dozen cells. Some of them like the legal cell and labour cells have been quite active. There are also cells for nomads, women, Harijans and Kisans. Most of them are inactive barring on some special occasions. Since there are no specific rules for them in the party constitution, leaders of these cells usually nominate office-bearers at the local levels.

According to a circular issued by general-secretary Rajendra Kumari Bajpai on Thursday, hereafter these powers also will be vested in Cong-I president Indira Gandhi. The circular, on instructions from the party president, asked all important functionaries to refer their recommendations for appointments to Mrs Gandhi. The names could be announced only after their approval.

Mrs Gajpai, who met Mrs Gandhi on Thursday is also likely to call for a scrutiny of some of the recent controversial appointments to these cells. If necessary, such committees will be fully recast.

There have been a series of complaints in the past few months against the bosses of these cells, including a general-secretary, for appointing even those who are opposed to Mrs Gandhi as officebearers. In some cases, it is alleged that the decisions were influenced by favours and groupism.

Some of these cases have been recently referred to Mrs Gandhi by some partymen from Karnataka and Haryana. According to the circular, even the appointments to district units of these cells will have to be referred to Mrs Gandhi.

At present, appointments to the PCCs, Youth Cong-I and NSU-I committees at the all-India and State levels are referred to the Cong-I president. For lower levels, only controversial cases are referred to her.

Since the Cong-I did not have its proper organisational elections since the Nijalingappa period, all appointments are ad hoc. In the past one year, almost all PCC-I had been reorganised for various reasons.

TEXT OF GANDHI SPEECH AT NAIROBI CONFERENCE

Madras THE HINDU in English 11 Aug 81 p 7

[Text] Nairobi, Aug 10: The following is the text of Prime Minister Indira Gandhi's key-note address at the U.N. conference on new and renewable sources of energy:

"It is a privilege to address the assembly of statesmen and scientists. India has always applauded the United Nations' endeavour to bring the world together for peace and prosperity. We affirm our appreciation of its efforts and commend its accomplishments. The pleasure is enhanced by this significant event taking place in Nairobi, on the soil of resurgent Africa, whose dreams and aspirations are similar to our own.

We humans have regarded the earth as a playground to use, to despoil, and to destroy. We are too engrossed with the immediate, too absorbed with petty individual problems, to look at basic issues. Today's problem has taken centuries to grow into its present threatening proportions.

We are searching for new and renewable resources only because the fossil fuels on which we had grown dependent are fast and recklessly being depleted and are in the control of a few.

Change in Outlook Vital:

What we have to understand is that nothing will work in the long term unless there is change in our thinking, unless we see ourselves not as masters of the universe but as tiny parts of an exceedingly complete system in which the smallest has a specific role.

In the law of the cosmos, the microcosm is no less important than the macrocosm. I have never ceased to be struck with awe at the wonder of the balance in nature, where waste itself is the most useful for renewal of life.

Man, in his greed and image of power, has ignored natural laws. We have disturbed and continue to disturb this marvellous equilibrium and yet we are astonished at the dangers which confront us and which we ourselves have created. We must view energy in its entirety, for problems of survival and progress are not pieces to be put together, but are inseparable parts of an integrated whole.



The reality of the energy crisis hangs perilously over not only Asia and Africa but also the developed regions of Europe and America. We have an awesome task.

The mutual interest of diverse groups and nations lies more than in merely preventing a military holocaust, which by its very nature is unlikely to leave any victors.

#### Short-sighted Economic Policies

Enlightened statesmen and leading thinkers now forcefully argue that there is serious menace to human existence by the unintentional, albeit inevitable, consequences of short-sighted and self-centred economic policies of individual nations.

The present pattern of exploiting the world's resources and the resultant search for an attempt to dominate world energy sources can only cause friction.

Monopoly over the energy potential by the affluent is depriving the poor, arresting their growth and leading to instability and insecurity. Similarly, within nations such serious imbalance in energy supply aggravates social ills, especially those associated with unplanned urbanisation.

In contemporary India, as in some other parts of the world, energy experiences range from the most primary and uncomplicated forms as manual labour and animal power to the most advanced use of nuclear and solar energy technology.

Impressive quantities of commercial energy are regularly produced from sources like coal, lignite, oil and the hydro-electric potential of waterways. At the same time there is also extensive use of familiar non-commercial sources like firewood, agricultural wastes and animal dung.

#### Parallel Streams

Our planning is enriched but also complicated by the contrast between the organised activity in Urban India and the decentralised rural sector. These parallel streams are sources of strength, although rising expectations have led to some social strains which are aggravated by the ever-increasing cost of energy.

A realistic understanding of our complex social and economic conditions and our broader vision of the world community have helped us to try to shield our development from the consequences of rapid and unidimensional industrialisation. We emphasise our commitment modestly, though firmly, to the rational use of energy and natural resources with the ultimate objective of preserving our environment.

#### Renewable Sources

There is little possibility of any large-scale substitution of the existing structure of the energy programme. Instead, we are looking for a two-tier reorganisation. Many of the promising renewable sources of energy, long fallen into disuse in the developed world, continue to provide for a substantial share of our energy needs, particularly in the domestic sector. Firewood is an obvious example, though it is inefficiently used.

Such loss of potential energy is not restricted to unsophisticated enterprises. The steam engine remains relatively primitive in spite of its indispensable services. Similarly, there has been hardly an innovation in agricultural implements.

We have initiated a concerted effort in research and development to improve energy producing and conserving tools. In this jet age, people refer to bullock carts as symbols of the past.

#### Animal Power

However, in India animals provide more power than all our powerhouses, whose installed capacity is 29,000 MW. Replacing them would entail a further investment of 25 to 40 billion dollars in electricity, over and above the loss to the farm economy of manure and cheap fuel.

The fitting of tyres on traditional bullock carts has made them faster and reduced by more than half the wear and tear of the animal, the cart and the road.

Ball bearings on hand-driven grinding stones have mitigated the drudgery of village women. Modifying designs of household implements like stoves and better architecture for homes and public buildings can make an enormous difference.

#### Development and Population:

The early stages of development, bringing better health, increasing the life-span and diminishing infant mortality, lead to population expansion.

Industrial development tends to concentrate population in an unwholesome manner. The availability of local energy makes decentralised development more viable. It injects greater confidence in local development and decreases disparities that cause regional discontent.

If the laws of nature are thwarted, renewable sources also will be exhausted. The indiscriminate felling of trees has denuded our forests with disastrous ecological imbalances affecting the very quality of life.

In its sternest form, nature retaliates against the scars of treeless mountainsides, causing landslides and devastating floods and silting dams and rivers. Rainfall begins to dwindle and the desert resumes its deathly march.

We are trying to harness the vast potential of the sun, wind and water. Solar energy is already being used for cooking, for heating water and pumping it for irrigation and for crop drying.

#### Bio-Gas

Another promising item in the new energy programme is bio-gas which is produced mainly from agricultural waste, not to mention the ubiquitous water-hyacinth that has for years been blocking waterways and clogging fields.

The national paper we have presented at this conference details our development and our programmes. We have offered suggestions for action at national, regional and international levels. India is ready to share her experiences and to assist our partners in world energy programmes.

The history of developed industrial countries has been different. The industrial revolution succeeded because of the availability of an abundant and cheap supply of fossil fuels.

When oil producers asserted their right to fix prices, these countries were startled to discover how myopic was their assumption that they had the right to unlimited quantities of fuel.

However, the adjustment process has been relatively easy for the industrialised countries, because minor economies in consumption enable them to control the growth in demand and make up their losses by passing on the higher costs of energy through exports.

So, developing countries are hit from both sides--the high costs of oil and the higher costs of imports of manufacture and industrial raw materials. We have neither margins of waste nor the wherewithal to meet the increasing expense.

#### Energy Consumption

It must not be forgotten that developing countries use a mere fraction of the total energy consumed by industrialised countries. As their standards of living are raised, they will demand much more conventional energy, contributing to the already noticeable depletion.

It should not be imagined that only industrialisation and urbanisation demand more energy. Even agriculture does so. A good part of India's petroleum imports goes into fertilizers, and a quarter of all our electricity into agricultural operations. If developing nations do not get the energy they need and deserve, how can they fight poverty?

At the same time their financial constraints deny them the investments necessary to harness energy through known technologies. That is the main reason for the search for new technologies which would require less capital.

The concept of labour substitution of capital is a familiar one. We now look to technological innovation as a substitute for capital. Should not efficiency be measured in terms not only of the labour and capital saved, but of energy conserved?

#### Scramble for Fossil Fuels

An important cause of the present disturbed and insecure state of the world system is the scramble for the pre-emption of fossil fueled deposits and the accumulation of increasingly sophisticated and energy-intensive weapon systems which are a concomitant of the arms race and policies of confrontation.

Obviously these are aimed at maintaining the status of the affluent and powerful by supporting the existing infrastructures and disparities. Hence the urgent need for an energy revolution.

We must move from the present international economy primarily dependent on hydrocarbons, to one increasingly based on new and renewable sources of energy. Such a transition is likely to profoundly change international relationship.

Instead of the physical transfer of resources, there could be cooperation in harnessing widely dispersed resources with appropriate technology. With proper sharing of knowledge, developing countries would not need to invest in rapidly obsolescent technology and the process of transition itself would have a longer life-span. Such a global outlook does not impinge on the sovereignty of nations, nor is it incompatible with national policies.

Developed economies should be prepared to accept a portion of the responsibility to redefine their relationship with the developing world. The new international economic order and the principle of the common heritage of mankind need to be endorsed in theory and in practice.

All international forums should aim at changing attitudes of exploitation and bargaining to those of cooperation and accommodation. Costs are high at the experimental stage and come down only as production goes up it makes more sense for those who can afford them to go in for substitutes rather than those who do not have the means.

#### Significant Step:

Emphasis on new sources of energy is not an excuse for diverting attention from the immediate problem of the equitable sharing of conventional energy. New sources are crucial for all those that have an abundance of present available fuels as well as those not so favourably endowed. A more equal distribution of conventional fuels is a significant step in the programme towards renewable sources.

No single programme may suit all countries. Each must draw up its own energy programme and build the necessary infrastructure. Throughout the world measures must be taken to increase the use of mature technology in renewable energy such as the fuller harnessing of hydro power potential, coal technology, large-scale programmes of reforestation and energy plantation, biogas production, the use of solar energy for low and medium temperature requirements like water heating and of wind and solar energy for pumping.

International effort is essential but it cannot replace endogenous development. Past mistakes can be side-stepped and research need not be duplicated. Technology will continuously unfold new possibilities. Let us take nothing for granted, least of all nature.

We expect the international community to support and reinforce this national effort, especially of developing countries. But developing countries must



strengthen their collective self-reliance. Technical cooperation, the sharing of training facilities, the exchange of experts and information, joint R and D programmes including the testing of equipment, mutually beneficial consultancy and related measures are ways to make self-reliance a reality.

A freer flow of technical information and a more liberal transfer of technology from high pressure areas to depressed regions of the economic atlas should become a tenet of the new world order.

### Reckless Exploitation

In their pursuit of technological advance, industrialised countries have exploited conventional energy so recklessly that they cannot now evade the responsibility of helping the developing world in its confrontation with this crippling crisis. We also find that companies which control oil interests have acquired a powerful hold over the research and development of new energy technology. Right now for developing countries investible funds are scarcer than the energy they would protect. The mobilisation of aid by international institutions and bilateral credit for this worth-while investment are crucial. I should like to express my gratitude to those countries with investible surpluses who have already made appreciable gestures.

Mutual recrimination and confrontation do not help. We, the developed, the developing and the underdeveloped, are in the same predicament, for better or for worse. The United Nations has brought us here in the hope of enlarging the awareness of humanity and arousing the conscience of governments. The conference, drawing attention to our global obligations, must outline a world policy on energy, generate momentum and indicate courses of action. An international consortium dedicated to mobilising bilateral credit and aid from institutions and which would allow for compact planning and monitoring of the world energy programme would be most useful. We should initiate an expanded programme for technical assistance in energy planning, manpower training, support for R and D and pre-investment studies.

The energy problem is only a part of the wider concern for the environment and encompasses planning to prevent social tensions of economic conditions which compel vast numbers to migrate. Research and experience have indicated that new sources of energy create less environmental pollution than conventional ones. The question now posed is whether unscientific large-scale utilisation even of new sources like solar energy might invite some adverse ecological consequences. We must remain on guard. Everything that is born has within it the seeds of its own destruction. I am told that physicists are talking of anti-entropic energy. Not being an expert, I cannot know how it will work or what will be its repercussions, or those of the new experiments in bioengineering.

May I go back to the point I made at the beginning? However great the rush of activity, the pressure of events, can we not take time to think more deeply and with a larger perspective? The problems are too vast to be handled only by some sections of people. We who are in public life must involve the scientists, the seers of our age, the truly religious. We need their vision to probe and find

paths which will determine the future of mankind and of life on earth. No matter how remarkable the new discoveries, the ultimate response lies in the minds of people and how wisely they will use them. Will they view the world as one or in fragments? Will they see time in compartments of past, present and future, or as a continuous flow of cause and effect?

We speak of renewable resources. Isn't the human spirit the most potent of them all? Let us join in invoking the human spirit, in rescuing it from apathy and resignation and making it buoyant and spontaneous once again.

#### New Age

We are at the threshold of a new age. Saint-John Perse, the poet, said: "We had a rendezvous with the end of an age."

Let us join him in asking. "Do we find ourselves with men of another age?"

Let a powerful call go out from this conference to make energy a focal point of contemporary international cooperation and collaboration.

Let equitable distribution of our conventional stocks and joint development of new and renewable sources become the test for the enlightened will of nations to survive in comfort, in harmony and with dignity.--UNI.

CSO: 4220/7544



GANDHI HOLDS PRESS CONFERENCE IN NAIROBI

Calcutta THE STATESMAN in English 13 Aug 81 pp 1, 9

[Article by Chander Mehra]

[Text] Nairobi, Aug 12--Mrs Gandhi said here today that India would give Kenya a credit of Rs 10 crores for its industrial development. The Prime Minister added that five new joint industrial ventures would be set up in Kenya besides the 10 already existing in various fields.

Addressing a Press conference at Kenyatta International Conference Centre, Mrs Gandhi said her country would like to see a prosperous Kenya and a resurgent Africa.

Mrs Gandhi, who wound up her four-day visit to this country yesterday, said India would always welcome other developing countries to take advantage of the progress made by India in the industrial scientific research and other fields.

The Prime Minister said her talks with President Arap Moi would lead to a series of measures which will go a long way to strengthen the relations between the two countries.

She said relations with Kenya had considerably improved during the past few months following President Moi's visit to India and the return visit of the Indian President, Mr Sanjiva Reddy, as well as her current visit.

Mrs Gandhi announced that a festival of African arts would take place in New Delhi in January, 1982, and that a Kenyan cultural troupe would participate in it.

Mrs Gandhi called for an end to the arms race being indulged in by super Powers. She said the stockpiling of nuclear and other destructive weapons was adversely affecting the thinking of the people everywhere in the world.

She said India was using nuclear energy for such peaceful purposes as power generation, medicine and research. Answering a question on the dangers of nuclear energy, Mrs Gandhi said the developing countries had to explore all energy sources to speed up their pace of development.

She said the U.N. was facing tremendous challenges but it was still trying to push ahead. The leaders of the developing nations, she added, were making every effort to take advantage of the new opportunities that are opening up to raise the living standards of their peoples.

Mrs Gandhi hoped that the results of the U.N. Energy Conference would be positive and that it would help formulate concrete steps for the transfer of technology from the industrial to the Third World nations.

She said there should not only be the formulation of a world energy policy but also its implementation through bilateral credit and multi-lateral assistance to help poor nations overcome their problems.

On women's role in energy, Mrs Gandhi said women had a very important role to play in all spheres, including energy.

PTI adds: Mrs Gandhi expressed concern over the report that the USA and USSR were getting ready with Neutron bombs. The Prime Minister said India stood for total disarmament and world without war. Even if there were wars, there should be no nuclear wars, she added.

Mrs Gandhi said industrialized countries should show deep understanding of developing States' problems so that the world did not feel insecure. They should open up trade opportunities in their own interest and facilitate moves forward in energy and global economic negotiations.

Mrs Gandhi turned down suggestion for India to phase out its use of nuclear energy even for peaceful purposes as Sweden proposed to do in phased way. She said India was utilizing nuclear energy for power agriculture and medicine and this was extremely useful. It was not on such scale that India could reduce it.

Asked whether India would call upon East European countries to contribute their share for development of alternative energy sources such as what Canada and Japan had indicated in their speeches here Mrs Gandhi said: "We certainly call upon everybody."

"We do not exclude ourselves and we think North-South dialogue can be meaningful only if there is some purposeful dialogue and cooperation.

"National and regional problems get greatly aggravated by global disparity and practices like protectionism in trade or monopoly of it," she added.

Mrs Gandhi today asked the country's envoys to present the image of a resurgent India which has deep root in the past but which is rapidly progressing and expanding its capacity in vital sectors of economy, technology and space.

In presenting this image they should always remember that India had diversified economic cooperation as well as defence purchases and was neither aligned with anyone nor dependent on any single sources for aid.

India's secular character and its policy of non-alignment should always be properly presented outside, she said in her opening statement on a conference of 17 heads of Indian missions in Africa, south of Sahara.

Dealing with the internal situation, the Prime Minister said that there was resurgence in the country and its economic and technical capacities were

steadily growing. Communal situation had undergone a change and there was no problem except in one or two isolated pockets.

In her general survey of India's foreign policy and external relations, Mrs Gandhi mentioned that consistent efforts were being made to improve relations with neighbouring countries. In this connection she regretted the unfortunate anti-India campaign mounted by Pakistan.

On Bangladesh, she hoped that it would appreciate the need for friendship with India. The Prime Minister informed Envoys that the Government was planning a refresher course for middle level officials in the Indian mission so that they become more aware of what was happening in the country.

Mrs Imelda Marcos, wife of the Philippine President, met Mrs Gandhi here today and invited her to visit her country.

Mrs Marcos, who is leading the Philippine delegation to the world energy conference here, also expressed her country's strong desire to have closer relations with India.

In her statement to a conference on heads of Indian missions in Africa, Mrs Gandhi referred to her meeting with Mrs Marcos and said more and more countries desired to strengthen their relations with India. In this context, she particularly mentioned ASEAN countries.

CSO: 4220/7555

## DELEGATE TO NAIROBI URGES SOLAR POWER STRATEGY

Bombay THE TIMES OF INDIA in English 12 Aug 81 p 5

[Text] Bombay, August 11. Dr Rashmi Mayur, an Indian delegate to the U.N. conference on "New and renewable sources of energy," has emphasised that the small-scale solar technologies now under development may not be able to meet even a low global energy demand.

Dr Mayur, member of the futurology commission of the government the world community develop both small-scale (decentralised) and large-scale (centralised) solar technologies.

In his speech at the Nairobi conference today, Dr Mayur underscored that "the solar power satellite (SPS) has the potential of revolutionising the standard of living in developing countries, not only by directly providing a source of power for cities, transportation systems and industries, but indirectly by powering chemical synthesis plants providing liquid fuels for dispersed populations."

A copy of the speech was made available here.

Dr Mayur said new policies would be required to guide decisions regarding the future course of SPS development from a global perspective.

Institutions in developing countries, for example India, had expressed serious interest in the SPS but much more information would have to be made available on the economic, environment and societal as well as technical issues, he said.

As regards the time scale, Dr Mayur feels that it is unlikely that the impacts of the SPS will be felt by the third world countries for at least the next 40 years. A similar time scale will be required for terrestrial solar energy applications or any other alternative energy source which might have a significant impact on world energy supply.

In the SPS concept, which has been the basis of most current studies, solar cell arrays would convert solar energy directly into electricity and feed it to microwave generators forming part of a transmitting antenna.

Dr Mayur urged the U.N. to consider solar power satellites within the framework of initiative undertaken to assure that the inexhaustible energy and material resources of outer space would contribute in increasing measure to benefit humanity.

# GANDHI TALKS TO PRESS ON RETURN FROM KENYA

New Delhi PATRIOT in English 14 Aug 81 pp 1, 7

[Text] The Indo-Kenyan relations have been put on a more firmer footing and the friendly relations with the African people have been further strengthened, Prime Minister Indira Gandhi said on Thursday on her return from a four-day visit to Kenya and Seychelles, reports agencies.

Talking to newsmen at the airport Mrs Gandhi said she had a very useful exchange of views on important bilateral matters and the latest international situation with Kenyan President Daniel Arap Moi and with the Prime Ministers of Canada, Sweden and Jamaica.

## Information Gap

She said very little information was coming out of Africa about developments there and so also in the African press hardly any international news appeared unless it happened to be the neutron bomb which was given by western media with their own slant.

When asked did she get the impression that the non-aligned movement was being strengthened in the African continent, Mrs Gandhi said it is not so everywhere, "I think you cannot lump together all countries of Asia and Africa as the situation is not alike everywhere. Each country had its own problems and difficulties and its own personality and individuality."

Mrs Gandhi had also made a four-hour halt in Seychelles on 9 August while on her way to Nairobi and had talks with President Rene.

Mrs Gandhi's plane made an hour-long technical halt at Bombay in the morning. She did not come out of the aircraft. Late Wednesday night instructions had been received in Bombay that no VIP should go to the Santa Cruz airport early in the morning and that the Prime Minister would not come out of airport.

Mr Baburao Kale, Maharashtra Minister for Rural Development, and Mrs Prabhu Rau, MLC, who recently joined Cong-I along with other Cong-U, legislators were at the airport. But they were politely told by the officials accompanying the Prime Minister that Mrs Gandhi was sleeping and could not be disturbed.

AITUC LEADER DEPLORES WEST BENGAL UNION SPLIT

New Delhi PATRIOT in English 12 Aug 81 p 4

[Text] Calcutta, Aug 11--AITUC general secretary Indrajit Gupta regretted today that despite the decision of the central trade unions in Bombay on 4 June to convene joint State conventions of eight trade unions who participated in the above conclave the West Bengal CITU has refused to include UTUC (Lenin-Sarani) in a committee "on the Bombay pattern."

Mr Gupta pointed out that this "unfortunate defiance" of the National Campaign Committee decision of eight trade unions, in which the central CITU played an important role, by the West Bengal CITU, has split the trade unions in the State into two different formation against the ordinance--one led by CITU and the other consisting of UTUC (Lenin-Sarani), HMS and BMS.

Mr Gupta said "the AITUC will explore all ways and means" to bring the State organisations concerned into a common platform on at least on a convergent struggle against the anti-democratic moves. As such, and being a sponsor of the National Campaign Committee, the State AITUC cannot identify itself with either of the two formations. While trying to bridge the split the AITUC units in the State will join forces with the Leftist mainstream of workers struggle.

CSO: 7552



## BENGAL LEFT FRONT POLL CLAIMS CONTRADICTED

New Delhi PATRIOT in English 11 Aug 81 p 4

[Text] Calcutta, Aug 10--Contradicting the claims of the West Bengal Left Front about the percentage of votes polled by the Front partners in the last municipal elections in the State, minister for Municipal Affairs Prosanto Sur said here today that the CPM had secured 34.22 per cent votes.

Mr Sur said that the CPM had put up 941 candidates of whom 208 were elected uncontested, and 471 candidates won the election through contest. The CPM tally was 679 seats won with 6.48 lakh votes, which constituted 34.22 per cent.

As against the CPM, the independents (1961 candidates of whom 17 were elected uncontested) won a total of 498 seats with 7-92 lakh votes which constituted 41.79 per cent.

Another Left Front partner the RSP, fielding 93 candidates won 45 seats by contesting and nine seats uncontested with about 61,000 votes which constituted 3.20 per cent. Against that, the Forward Bloc performance (another Front partner) was 115 candidates, 13 uncontested, total seats won 54 and votes polled were 53,000 which constituted 2.08 per cent.

The CPI, an ally of the Left Front put up 217 candidates of whom 17 were returned uncontested. The party won 92 seats by contesting and the total seats won by the party was 109 with 1.34 lakh votes which constituted 7.06 per cent.

The Cong-U got 35 seats and 6.59 per cent of votes the Janata Party 21 seats and 2.54 per cent of votes, the BJP 14 seats and 1.55 per cent of votes.

CSO: 4220/7546

VAJPAYEE STATES OBJECTION TO FOUR-PARTY MERGER

New Delhi PATRIOT in English 11 Aug 81 p 5

[Text] Bangalore, Aug 10 (PTI)--BJP president Atal Behari Vajpayee has opposed the merger of his party with three other opposition parties--the Janata, the Lok Dal and the Cong-U--fearing that the question of dual membership would crop up once again.

Mr Madhu Limaye, Lok Dal general secretary, told newsmen here the question of merger had come up at a meeting of leaders of the four parties in New Delhi on 4 August.

The four-leaders--Mr Vajpayee, Mr Chandrasekhar, Mr Devraj Urs and Mr Limaye himself--would meet again to continue their efforts to forge political unity to provide a national alternative to the Cong-I he said.

Mr Limaye said that he had suggested to Mr Vajpayee that the question of dual membership should be settled now without a public controversy.

Mr Limaye said that he had suggested to Mr Vajpayee that the question of dual membership should be settled now without a public controversy.

He added a national alternative to the ruling party could be achieved only by political parties and personalities subordinating their interests to the larger national goal on the basis of a consensus.

Mr Limaye expressed his optimism that despite the failure of the Janata experiment, such a move could still succeed.

CSO: 4220/7546

## LOK DAL LEADER TALKS TO PRESS ON MERGER

Madras THE HINDU in English 11 Aug 81 p 10

[Text] Bangalore, Aug 10--Mr Madhu Limaye, general secretary of the all-India Lok Dal has favoured the idea of merger of Opposition parties in view of the "definite trend towards authoritarianism" in the country.

Mr Limaye told newsmen here on Monday that a merger was possible if the leaders became tolerant of each other. Referring to the Janata experiment, he said. "We have to learn from past failures, if we cannot adjust with each other there is no hope."

He said the questions of Opposition unity and joint action were discussed at the meeting in Karnataka Bhavan in Delhi on August 4, which was attended by Mr Devaraj Urs, Mr A. B. Vajpayee, Mr Chandra Shekhar and himself.

Mr Limaye said Mr Vajpayee was opposed to the merger saying that the question of dual membership would "inevitably crop up."

He said he had told Mr Vajpayee that without political unity, joint action would not be effective. "Our (Lok Dal) attitude to unity is positive."

Mr Limaye said retirement of political leaders was a personal matter, if older leaders were blamed for their ways, even the second generation, leaders (to which he belonged) were also not free from fault.

'Cong(U), Janata Support Unity'

The Lok Dal leader said Mr Devaraj Urs had welcomed the suggestion of the merger of the three parties--the Janata, Cong (U) and Lok Dal. Mr Chandra Shekhar, too, had expressed himself in favour of unity. They would, again meet to discuss the issue.

About Mr Raj Narain he said that whatever might have been his failures, the fact could not be missed that he (Mr Raj Narain) had played a keyrole in the pre-and anti-Emergency struggle. As Minister for Health he acquitted himself well and tried to give a rural orientation to medical services. The undoing of the Janata Party was because of internal contradictions. "It failed politically and not in its performance in matters relating to economic affairs."

Mr Limaye alleged that Mrs Gandhi's Government was taking "repressive measures" against democratic movements and not against blackmarketeers.

"The entire Congress(I) is in league with corrupt elements."

He charged that in Maharashtra, the Chief Minister and other ruling party legislators were "openly indulging in corruption and blackmarketing in the sale of commodities like cement." If the procurement of wheat had failed and the country had approached the U.S. for import, it was because the Chief Ministers of Punjab and Haryana had allowed the diversion of wheat to high demand areas instead of procuring them.

Mr Limaye said that though the trend towards authoritarianism was evident in Third World countries, in India it had been compounded with the "powerlust of one family and its desire to perpetuate dynastic rule. I would like all parties which care for liberal democracy to take note of this."

Mr Limaye was here to attend the conference of the southern States' units of the Lok Dal, held on Friday and Saturday.

Subramaniam Swamy Rules Out Unity

Our Trivandrum Staff Reporter writes:

The general secretary of the Janata Party, Dr Subramaniam Swamy, said here on Sunday that his party would emerge as the sole national alternative to the Congress(I) in due course of time.

Denying reports that the Janata Party was to merge with the Lok Dal, Dr Swamy said that the national party's council had passed a resolution party's council had passed a resolution saying that the party would not merge with any party.

Asked whether the Janata party and the Congress(U) would work together, he said there was no question of any merger with the Congress (U) since that party was not, in any case, of one mind, with some of its members wanting to join the Congress(I).

CSO: 4220/7544

## PARTIES REACT TO LIMAYE STATEMENT ON MERGER

Calcutta THE STATESMAN in English 12 Aug 81 pp 1, 9

[Text] New Delhi, Aug 11--An informal proposal for the merger of Janata, Lok Dal and Congress(U) was virtually nipped in the bud today following the disclosure by Mr Madhu Limaye in Bangalore.

While Mr Chandra Shekhar, president of the Janata Party, described as unfortunate and misleading Mr Limaye's statement. Mr K. P. Unnikrishnan, Congress(U) general secretary, said that it was "totally baseless," adding that his party wanted to retain its identity.

Mr Chandra Shekhar said that Mr Limaye's statement did not serve the "cause" they had in mind. Mr Limaye's statement had presented a distorted picture. What was imperative was the consolidation of the Opposition and not the posts for individuals, Mr Limaye's statement was "out of context and self-defeating." (Mr Limaye is reported to have said in Bangalore yesterday that leaders of Janata, Lok Dal and Congress(U) had agreed to merge and Mr Chandra Shekhar had agreed to Mr Charan Singh becoming the president of the proposed party and offered himself to be the general secretary.)

The proposal of merger was reportedly discussed when the Janata president, the Congress(U) president, the BJP president and Mr Limaye met on August 4 to issue a joint statement on mass conversions. Mr A. B. Vajpayee, on his part, had made it known to them that BJP was not interested in the merger because the RSS issue would again create complications.

At the August 4 meeting, the three leaders, Mr Chandra Shekhar, Mr Urs and Mr Limaye (who represented Mr Charan Singh who was unwell) had decided to pick up the thread later. But today's development means that the position is back to square one.

The Lok Dal leadership is very keen on merger. Apart from providing it a larger base, it will also mean an immediate again for Mr Charan Singh as he will be in a position to become the leader of the Opposition in case he is able to muster 50 MPs.

But the merger is easier said than done. In the Janata Party, Mr Morarji Desai and his followers are not likely to support any merger more with Lok Dal. Mr

Desai's principal supporters, Mr Subramanian Swamy, also reacting sharply to Mr Limaye's statement, urged Mr Chandra Shekhar to call a meeting of the National Council of the party to decide the issue.

In a statement he dismissed as "bogus and baseless" Mr Limaye's statement. "Mr Limaye should realize that Janata is not an ad hoc structure like the Lok Dal and therefore cocktail party discussions cannot be taken as the party's writ. If there are some people in Janata, who have lost faith in the party's structure, they are of course free to leave the party without inhibition for Mr Limaye's company."

Mr Swamy pointed out that the Janata Party's National Council, the sole authority to decide party policy, which could override the National Executive, had already adopted a resolution, in the Sarnath session, six months ago, that Janata Party would not merge with any other party. It was, however, prepared to admit individuals who have a standing with the public and had not conspired to bring the Janata Government down in July 1979.

"Most members of the Congress(U) and Lok Dal fall into the category of conspirators. Therefore, if some Janata Party leaders have given an assurance to Mr Limaye, it is not on behalf of the party," Mr Swamy said.

He said the Janata Party has committed to keeping its identity and is developing the party by inducting fresh blood drawn from the youth. The party was not in need of tired middle-aged personalities and were adrift "looking for new moorings" he added.

With leaders like Mr Swamy and Mr Unnikrishnan opposing the merger move in spite of the favourable stand of Mr Urs, the issue is not as simple as the Lok Dal leadership has been imagining even though the Congress(U) today is much reduced following the split after the formation of parallel Congress headed by Mr Jagjivan Ram. Thus, there is a division in Janata and the Congress(U) on the issue.

Meanwhile, the question of the merger may be raised at the meeting of the National Executive of the Janata Party, which will meet in Hyderabad on August 13 and 14.

CSO: 4220/7550



## NAXALITES REPORTEDLY ENROLLED IN PUNJAB COLLEGES

Madras THE HINDU in English 11 Aug 81 p 10

[Text] Chandigarh, Aug 10--Despite the reported "unofficial secret" instructions by authorities to educational institutions in Punjab that admissions be barred to members of the Punjab Students Union (PSU) and other naxalite organisations, several extremist students have managed to enter the colleges, according to official sources here.

The authorities were concerned over the admission of naxalite activists as they feared it would further strengthen their hold on the educational institutions, the sources said.

About 300 PSU activists were estimated to have sought admission to various educational institutions in the State this year, the sources said.

They, however, denied that a list carrying the names of the activists had been circulated in this regard.

The "unofficial" instructions to educational institutions followed reports that naxalites in the Punjab were trying to enlarge their activities after having successfully made inroads into certain schools, colleges, industrial training institutions and other educational institutions, the sources said.

They are said to have created strategic pockets in backward areas where the population was more susceptible to their influence because of poor economic conditions.

Some departments of the Punjab University, Patiala, particularly the Languages Department, and many private colleges in Doaba belt comprising Jullunder, Hoshiarpur and Kapurthala districts, have reportedly granted admission to PSU members.

The authorities of certain private colleges, it was said, had taken a stand that they would adhere to only "merit" while granting admission.

The instructions, the sources, explained, related to only "fresh admission" and did not cover those "hardliners" of the PSU and other extremist organisations who are believed to be already studying in different educational institutions in the State.

Schools where a large number of teachers with naxalite ideology had found jobs lately, have not been touched by the present drive to impose such "unofficial" restrictions.

The Government was keeping a close watch on those naxalite activists who had been deprived of admission, so as to prevent them from creating discontentment among students or launch an agitation, the sources added.

The police, according to reports, have arrested a PSU leader Paramjit Singh Kahma at Banga.--UNI

CSO: 4220/7544

REPORTER NOTES ASPIRATIONS OF CPI LEADERSHIP

Calcutta THE STATESMAN in English 12 Aug 81 p 9

[Text] New Delhi, Aug 11--The National Council of the Communist Party of India, meeting here from August 24, will fill two vacancies to the party's nine-member Central Secretariat which fell vacant following the death of Bhupesh Gupta and the expulsion of Mr S. A. Dange from the party.

The members of the Central Secretariat are the secretaries of the National Council, which is the highest policy-making body of the CPI.

According to well-informed sources close to the CPI, there are five members of the central executive committee of the party--Mr Mohit Sen, Mr H. K. Vyas, Mr M. Kalyansundaram, Mr Kalishankar Shukla and Mr Farooqi--who are reportedly aspiring for the two posts of secretary of the National Council.

It is stated that Mr Sen, Mr Vyas and Mr Kalyansundaram are in conflict with the CPI's official leadership's policy of opposing Mrs Gandhi and her Government. Mr Kalishankar Shukla and Mr Farooqui are the proteges of the official leadership, led by the party general secretary, Mr C. Rajeshwara Rao.

The opponents of the party's present policy are in a minority in the central executive committee as well as in the larger body, the National Council, Mr Sen and Mr Kalyansundaram, who had submitted a joint document with Mr Dange, have fallen from grace with the official leadership. Mr Sen has been discouraged from writing for the party's organ, NEW AGE, while Mr Kalyansundaram is facing problems in his Tamil Nadu unit.

It is believed in these circles that Mr Farooqui is certain to be chosen for one vacancy. For the other vacancy, a choice might be made either of Mr Vyas or Mr Shukla.

The existing seven members of the Central Secretariat of the CPI are: Mr Rajdeshwara Rao, Mr N. K. Krishnan, Mr Indrajit Gupta, Mr Indradeep Sinha, Mr Jagannath Sarkar, Mr M. N. Govindan Nair and Mr N. Rajshekhar Reddy.

CSO: 4220/7550

GANDHI SAYS NO INDIAN SUPPORT FOR KHALISTAN

Bombay THE STATES OF INDIA in English 12 Aug 81 p 1

[Text] Nairobi, August 11 (PTI)--The Prime Minister, Mrs Indira Gandhi, told the Canadian prime minister, Mr Pierre Trudeau, that the Khalistan movement had absolutely no support within India though some persons seemed to be making some noise in other countries.

In a 45-minute meeting between the two leaders here last night, they discussed the situation in the Indian subcontinent, the influx of Sikhs into Canada and the North-South dialogue.

Mrs Gandhi told Mr Trudeau of the developments in the region in the wake of the U.S. decision to supply sophisticated arms to Pakistan leading to an arms sale in the region and creating tension.

Mrs Gandhi also had a meeting with the United Nations secretary-general, Dr Kurt Waldheim.

It was a relaxed safari day for the otherwise busy Prime Minister. After a hectic day-long schedule yesterday, Mrs Gandhi spent this morning viewing in bright, sunny weather the famous African wildlife in Kenya.

"Energy exhibition-81" devoted to the progress made by countries in harnessing new and renewable sources of energy was opened here yesterday. India is the only Asian country among 18 participating in the exhibition.

CSO: 4220/7548

## PROGRESS OF TALKS WITH MIZO LEADERS REPORTED

Calcutta THE STATESMAN in English 13 Aug 81 p 9

[Text] Shillong, Aug. 12--The peace negotiations between the Centre and the MNF leaders are in a delicate stage. The Prime Minister's emissary, Mr Parthasarathy, and Mr Laldenga have apparently covered ground, but the pace of the talks is deemed unsatisfactory.

The indications are that the Centre has stressed the need for a time-bound framework and steps to demarcate the areas of understanding to expedite discussion on the remaining demands of the 26-point charter submitted by Mr Laldenga on his return from his jungle headquarters in March.

The demands were obviously inflated to strengthen Mr Laldenga's hands in the bargaining, some were rejected outright. The latter included demands like, U.N. membership for Mizoram, a separate flag and a greater Mizoram comprising ethnic belts in Burma, evidently the Chin hills. Mr Laldenga could ascribe such demands to over zealous followers not conversant with constitutional proprieties and the compulsions in New Delhi.

The stress on workmanlike discussions is evident in Mr Laldenga's reported decision to visit the MNF headquarters soon with two aides. His son, Mr Danmawia, was in Aizawl late last month on an urgent mission following allegations about increased MNF activities like tax collections, recruitment and harassment of the administration.

Peoples' Conference sources allege that Mr Danmawia had secret discussions with important office-bearers of the Mizo Zirlai Pawl Ket Cima, the apex student organization, MNF leaders like Mr Lalkunga and members of the steering committee. The MZP was urged to maintain pressure to oust the Chief Minister and be prepared for further struggle, should the New Delhi negotiations falter. The student leaders were told not to be influenced by any particular political party, which sounds intriguingly like the exhortations of the initial phase of the student movement in Assam.

Brigadier Sailo has apprised the Centre of the daily violations of the ceasefire by the MNF and the intolerable situation in Mizoram. But his assessments were not taken seriously, particularly in the Congress(I) circles, which felt that the lament was overdone. The Mizoram Pradesh Congress(I) chief, Mr Lal Thanhawia, even levelled serious charges against the Brigadier and his henchmen; some of the charges were increased MNF activities the new reflex is perhaps conditioned by the new Lieutenant-Governor Admiral Kohli's preliminary findings.

MANIPUR CHIEF MINISTER: PEACE WILL BE RESTORED

Calcutta THE STATESMAN in English 11 Aug 81 p 9

[Text] Imphal, Aug. 10--Mr Rishang Keishing Manipur Chief Minister, today said that the law and order situation in the State was improving though the insurgency movement was not yet fully contained, reports PTL. "Peace will be restored at all cost," Mr Keishing told reporters here.

He sought the cooperation of the people for implementing development schemes. The North-Eastern Council, he said, had agreed to undertake the work for the extension of the railhead from Jiribam to Makaru, 30 km off here, but it would be difficult to carry out this programme unless there was peace in the State.

Replying to a question on the murder recently of S. Bhowmick, agricultural adviser to the Manipur Government, the Chief Minister said the case was not referred to the CBI, though he had wanted to do so. The Union Home Ministry wanted it to be dealt with by the Manipur Police which had till now arrested eight people including four officers.

On payment of ex gratia to Bhowmick's family, he said the amount would be sanctioned soon.

The Manipur Government will soon set up a commission of inquiry under a retired high court judge to go into yesterday's incident at Imphal Central Jail'.

Twelve prominent members of the outlawed People's Liberation Front escaped from the jail yesterday.

The 53-day-old Congress(I) Ministry in Manipur will be expanded soon after independence day, according to Mr Keishing.

Central leaders would be consulted on the size of the Ministry and he would visit New Delhi after August 15 for this purpose. The post of the Deputy Chief Minister would be abolished.

CSO: 4220/7542



## CPI-M ACCUSED OF HELPING BANGLADESH INFILTRATIONS

Calcutta THE STATESMAN in English 11 Aug 81 p 9

[Text] Mr Ajit Panja, WBPC (I) president, alleged in Calcutta on Monday that the CPI(M) workers in the border districts of West Bengal were bringing people from Bangladesh and recording their names as bargadars and helping them to occupy lands belonging to Indian citizens.

He said that he had received reports from the former vice-president of the Bongaon District Congress(I) Committee, Mr Bhupen Seth, that such infiltration had begun about a fortnight ago in North 24-Parganas.

Wherever the people had resisted such attempts by the CPI(M) workers, they were assaulted. The local Congress (I) had raised objection in one case, Mr Panja had asked Mr Seth to submit a detailed report of such incidents as early as possible.

The WBPC(I) president referred to some incidents of attacks on Congress(I) workers by the CPI(M) supporters in which two were murdered. He alleged that Mr Prankumar Bhakta (40), the lone Congress(I) member of Garapota Gram Panchayat in Bongaon was murdered by the CPI(M) workers on Saturday. Another Congress(I) worker Mr Aloke Biswas (25) was allegedly murdered on Sunday at Kalghata in Bongaon. His body was found near the Bongaon police station. Mr Panja said that in these cases no step was taken against the CPI(M) supporters though complaints were lodged with the police.

He said a landowner of Andulpota village in Bagda, Mr Chitta Mazumder, and four others, who objected to such operation with the help of aliens, were confined in a house and later beaten up by the CPI(M) workers on Sunday night.

CSO: 4220/7542

## PARLIAMENT TO CONSIDER 34 NEW BILLS IN MONSOON SESSION

Calcutta THE STATESMAN in English 11 Aug 81 p 1

[Text] New Delhi, Aug 10--Perhaps the most important business before the five-week monsoon session of Parliament, which opens here next Monday, will be the replacement, by regular legislation, of the nine Ordinances issued during the inter-session period.

On only one of these, the Essential Services Maintenance Bill, which will replace the Ordinance promulgated on July 26, there will be a concerted Opposition attack and a somewhat lengthy debate.

The remaining eight, including the Income-Tax (Amendment) Bill to replace the Ordinance of July 11 and the Customs Tariff (Amendment) Bill to replace the Ordinance of July 26, are unlikely to take much time.

The tentative agenda before the Lok Sabha has, in all 34 new Bills, 13 of which are intended to be passed, with the rest duly introduced. In addition, there are 27 Bills pending from the last session besides three pending in the Rajya Sabha. All of these are proposed to be considered and passed.

The financial business before the session pertains to the supplementary demands for grants of the Railways for the current year, the supplementary demands relating to the General Budget, and the Assam budget and the connected demands for grants.

The Assam budget might well take up some time. So will be discussion on the resolution seeking approval of the presidential proclamation taking over the administration of Assam.

Discussion of the Sixth Five-Year Plan and of the latest report of the Union Public Service Commission form the rest of the official business before the session.

The general expectation is that even with lengthy discussion on the Essential Services Maintenance Bill, the Assam proclamation and budget, and the Sixth Five-Year Plan, there will still be time left for taking up for consideration and passing some of the pending Bills and least a few of the proposed new Bills.

The more important among the new Bills are:

The National Bank for Agriculture and Rural Development Bill, to establish a bank for promoting rural development and credit facilities to farmers;

The Governors' (Emoluments, Allowances and Privileges) Bill, to bring some uniformity in this whole matter;

The Foreign Contribution Regulation (Amendment) Bill, to make the provisions of the Act more stringent;

The Urban Land (Ceiling and Regulation) Amendment Bill, to remove certain lacunae experienced in the working of the Act;

The Monopolies and Restrictive Trade Practices (Amendment) bill, to amend some provisions of the 1969 MRTP Act so as to simplify them and make them more effective;

The Estate Duty (Amendment) Bill, to provide for raising of the exemption limit in the original Act of 1953;

The Industrial Disputes (Amendment) Bill, to make changes in the definitions of "Industry" and "workman" enlarging the powers of conciliation officers, labour courts and industrial tribunals;

And the Trade Unions (amendment) Bill, to make provisions in the Act to enable workers in agriculture and agricultural operations to form trade unions.

CSO: 4220/7542

NATION TO CONSIDER PURCHASE OF 'TORNADO' FIGHTERS

Bombay THE TIMES OF INDIA in English 13 Aug 81 p 6

[Text] New Delhi, August 12 (UNI): A high-level team representing the manufacturers of the multi-role combat aircraft, "Tornado," will be here next month to discuss the sale of this aircraft to the Indian Air Force.

The team is likely to bring with it a detailed project report regarding the direct sale, assembly and ultimate manufacture of the Tornado in India.

During its stay here, the team will meet top officials of the ministry of defence, including the chief of the air staff and officials of the Hindustan Aeronautics Limited.

Tornado is jointly being manufactured by Britain, West Germany and Italy. The IAF has already evaluated the French Mirage-2000 futuristic aircraft and the Tornado team will try to influence India to evaluate the multi-role combat aircraft since the Indian requirement could be fairly substantial.

The Tornado is fitted with two RB-199 reheated turbo-fan engines. The Tornado has a mach-2.2 performance developing a speed of 2,333 kilometres per hour at 36,000 feet. Seating pilot and navigator in tandem, the Tornado is being built in two variants. Interdictor Strike (IDS) and Air Defence Variant (ADV). A total of 807 Tornados are to be built initially for the air forces of Britain, Germany and Italy.

The manufacturers are interested in selling to India the Air Defence Variant of the Tornado. According to panavia estimates the ultimate cost of the Tornado will be cheaper for India than the French Mirage-2000.

The Tornado has undergone prolonged series of automatic, computer controlled, terrain-following and blind navigation sorties. The manufacturers claim that the Tornado's prime operational capability--low-level, high-speed operations against ground targets in all kinds of weather--will be achieved.

The Tornado is a very high technology weapon-delivery platform. It is designed to carry one 27-mm Mauser cannon, two aim 9L sidewinder air-to-air missiles on inboard sides of swivelling wing pylons and two British Aerospace Sky-Flash air-to-air missiles in paired and staggered semi-recessed housings under the fuselage.

## REAPPRAISAL OF AIR DEFENSE CAPABILITY 'IMPERATIVE'

Bombay THE TIMES OF INDIA in English 13 Aug 81 p 8

[Article by Air Vice-Marshal M. B. Naik (Retd)]

[Text] Recent developments call for a thorough--and urgent--reappraisal of the country's air defence capability. The United States has agreed to give Pakistan F-16 interceptor aircraft with most modern avionics and up-to-date weapon systems. Very soon the Pakistan Air Force will have a combined Mirage and Flying Falcon strike force capable of inflicting immense destruction.

Indeed, the PAF with the aid of the United States, is fast assembling a formidable conventional force on the ground, in and under the sea and in the air with a potential for acquiring "nuclear teeth." Many in our country have been pressing for precisely such a deterrent force to keep abreast, if not ahead, of Pakistan. But that is another story. For the moment let us confine ourselves in this article to the immediate requirements of air defence.

Basically these are: interceptor aircraft with air-to-air missiles and high calibre guns that have a high rate of fire; high-powered radar, low-looking radar and early warning system; surface-to-air missiles with acquisition radar, and early warning system; surface-to-air missiles with acquisition radar; radar-controlled air defence guns; a very reliable and efficient communications network; and an observer corps to augment radar in certain border areas.

Considering the vast area of operations, even the Pakistanis may not find it easy to deploy interceptor aircraft and radar to provide overlapping or even adjacent orbits of foolproof operational cover for their aircraft on offensive missions against our vital points (VPs) and vital areas (VAs) in high-low-low, low-low-low and low-low-high profiles. They would certainly find it hard to do so all along the border and in depth.

## Interceptor Forces

On the other hand, to defend our VPs and VAs in an area stretching from south to north, within an arc of 900-km radii of action from the border airfields in Pakistan, we would require adequate interceptor forces, at combat readiness, in a large number of our airfields within their mission range from the border, and also at some more airfields in the interior.

The known tactics usually are to probe and assess gaps, if any, in radar coverage, at different heights and with a given capability of long-range aircraft, and select routes for maximum immunity from radar detection in all mission profiles. Disposition of our interceptor forces and location of all our radar and early warning systems must, therefore, be reassessed in the light of the developing threat.

Mirages and Flying Falcons are capable of striking VPs and VAs over a large area by virtue of their radii of action even in a low-low profile. Besides, their weapons-carrying capacity will enable them to attack more than one VP during the same mission if they are not intercepted. The Mirages escorted by Falcons would be even more effective. Therefore, more VPs and VAs would have to be protected by surface-to-air missiles and air defence regiments.

Allocation of air defence regiments for adequate protection has always been a difficult task; they are too few to go round. If the shortage continues, priorities would have to be given to military and defence installations, army and air force establishments, highly sensitive plants and machinery and key industrial and civil installations. This is the second problem which would have to be looked into by our air defence planners.

Not many have an insight into the working of an air defence organisation. In particular, the importance of a reliable communications system and network for exercising air defence control along with the direction of other operations is not generally realised. Recent developments and innovations have improved the communications facilities. But high priority communications and independent alternative systems should be available round the clock. This is the third problem.

#### Observer Corps

Indeed, it is equally essential to organise a permanent observer corps for reporting aircraft movements at low levels. It must be geared to supplement the point-to-point communications system. A timely warning by an integrated operation of this kind is vital for effective action by our airfields and army units on the border. It should be established and constantly tried out.

Finally, it is necessary to look into the whole structure of the existing organisation responsible for air defence operations. Our air commands are regional, not functional like the fighter command or the strike command in some countries. In India, forces are allocated to a command within an overall allotment. This is an old pattern when aircraft had distinct combat roles (such as fighters, bombers, etc.). The disposition of various aircraft conformed to their roles and were often subject to the availability of facilities for their security and operations from a particular base.

Since such decisions are usually taken at the top, they can be totally unrelated to the size and direction of the air threat. The prevailing system also imposes an undue strain and load on the communications network. This kind of pre-determined force allocation for air defence is unsuitable in the new



environment. For, the air defence commander functions under directions from above and has no authority over all interceptor forces, especially when they are required to undertake strike missions as well. But as larger and more serious threats develop, he would have to seek allocations and help from the higher command. Even if very quick decisions are taken, some time is bound to elapse before fresh allotments in combat readiness can be mustered at the right place. Such delays would be unacceptable and would undoubtedly prove to be very costly.

#### Executive Authority

To avoid this and to ensure continuous minute-to-minute control over all elements of air defence, the commander should be given adequate authority. With a clear demarcation of the area of responsibility, a clear assessment of the threat within this area, and for better management, control and operational readiness, he should be given complete executive authority on behalf of the Air Officer Commanding-in-Chief. Under the proposed system, the commander would still be responsible to the AOCINC in the hierarchical sense but he would have full control over dispositions and use of interceptor forces and over other elements of air defence.

Such decentralisation and functional flexibility is necessary to cope with ever-changing threats. At any rate, for operations requiring split second decisions and direct control, much more authority needs to be vested at the executive level.

In concrete terms, all aircraft capable of interception should be under the control of air defence commander. The AOCINC and his staff would thus have more time to conduct counter-offensive operations by employing aircraft which are more suitable for deployment in a strike role. Modern combat aircraft are capable of performing both roles. Undoubtedly, the main goal in the initial stages would be to ensure effective air defence and to achieve a degree of air superiority. As the threat is reduced and air superiority is established more aircraft would then be available for counter-offensive operations. Such priorities would ensure availability of aircraft in direct relation to the threat. The Indian Air Force needs more of multi-role aircraft initially to secure air superiority and subsequently for counter-offensive operations. This must remain one of the criteria of our air defence preparation, as the decision to strike will be that of the aggressor.

The IAF should also consider the establishment of air defence groups, without adding any administrative workload, under a functional air defence command in the west, to coordinate air defence operations over this vast area. It should also be responsible for directing air defence measures with the concerned ministries. Creating such an independent and functional command will be the beginning of reshaping our defence policy for the 1980s.

#### Challenge of F-16s

In regard to the choice of aircraft to meet the challenge posed by the F-16s (8 F-16s can strike 12 bases in a matter of 10 minutes over our territory and

get away), the IAF must acquire new interceptors capable of carrying long-range air-to-air missiles and equipped with guns having a high rate of fire. The launch efficiency of the missiles must match the performance of the aircraft from 200 feet above ground level to very high altitudes and in all manoeuvres.

In the present generation of aircraft, the French Mirage and the Swedish Viggen have these capabilities. The Russian MiG-23 and MiG-25 also fulfil these requirements. An aircraft in the Mirage 2000 class and a sophisticated missile of the next generation, in combination, can provide the IAF with the requisite weapon system for air defence. Soviet surface-to-air missiles have been battle-tested and a developed version with accurate radar to detect low-flying aircraft would be of immense help to the IAF in the event of low-level strikes by a combination of Flying Falcons and Mirages.

CSO: 4220/7554

## BRIEFS

ASSAM, MEGHALAYA GOVERNOR--Gauhati, Aug 10--Mr Prakash Mehrotra today assumed office as Governor of Assam, succeeding Mr L. P. Singh, who returned after an eight-year term, reports PTI. Mr Dambarudhar Pathak, Acting Chief Justice of Gauhati High Court administered the oath of office and secrecy to Mr Mehrotra at a simple but impressive ceremony at the Raj Bhavan here this morning. Mr Singh, Mr B. B. Choudhury, Mayor of Gauhati Municipal Corporation, Mr Mahan Singh, Meghalaya Law Minister, and some political leaders were present at the ceremony. Mr Mehrotra, who has also been appointed Governor of Meghalaya, will be sworn in at the Raj Bhavan in Shillong tomorrow. [Excerpt] [Calcutta THE STATESMAN in English 11 Aug 81 p 1]

EASTERN AIR COMMAND--Air Commodore R. M. Sudhakaran took over on Monday as Air Officer Commanding, Advance Headquarters, Eastern Air Command, Calcutta. He succeeds Air Commodore M. K. Rudra, who has been appointed Air Officer Commanding of a forward base in the Eastern sector, according to a Defence spokesman. [Text] [Calcutta THE STATESMAN in English 11 Aug 81 p 9]

BIHAR CPI MURDERS--Patna, Aug 10--The Bihar State unit of the CPI has alleged that a number of party leaders and workers had been killed in a "wave of political murders" in the State and urged the Union Home Ministry to take effective measures to check it, reports UNI. The party which sent its senior secretariat member, Mr Chaturan Mishra, to investigate the recent case of alleged murders, said in a release on Saturday that in most cases Congress(I) workers, "including a Minister" were involved. Mr Mishra said a series of murders had taken place in Khageria district. On August 4, two prominent party workers, B. N. Singh and Rambachan Mehta of the same village were murdered. Mehta's body was recovered from the "house of a Congress(I) worker," he alleged. [Text] [Calcutta THE STATESMAN in English 11 Aug 81 p 10]

AICP RESOLUTION--Patna, Aug 10--The first convention of the Bihar unit of the All India Communist Party yesterday hailed the Indo-Soviet friendship treaty as a "time-tested treasure for the Indian people" but condemned the "liquidationist leadership of the CPI" which was trying to create a rift in the working class, reports UNI. The convention inaugurated by AICP Politburo member, Mrs Roza Deshpande, in a resolution demanded the withdrawal of the recently-promulgated Essential Services Ordinance and urged the Centre to constitute a national commission on labour to recommend a need-based wage structure for the working class. Nearly 300 delegates from all over Bihar attended the convention. [Text] [Calcutta THE STATESMAN in English 11 Aug 81 p 10]

NEW VATICAN ENVOY--New Delhi, Aug 10--The Apostolic Pro-Nuncio the most Rev. Agostino Cacciavillan, presented his credentials to the President, Mr N. Sanjiva Reddi at Rashtrapati Bhavan today. UNI [Text] [Madras THE HINDU in English 11 Aug 81 p 7]

WHEAT, COCONUT IMPORTS--Kozhikode, Aug 10 (PTI)--General secretary of the All-India Kisan Sabha Chathunni Master MP today said that the Centre's decision to import coconut oil rubber and wheat would adversely affect the country's economy apart from ruining the cultivators. Addressing a press conference here Mr Chathunni Master said that the Centre's decision had come when the country was 'surplus' in these commodities. Besides the price paid to cultivators within the country was only Rs 135 per quintal of wheat while the import wheat would cost Rs 178. He appealed to political parties to unite and voice the demand of agriculturists rather than destroy the cultivator's unity. [Text] [New Delhi PATRIOT in English 11 Aug 81 p 5]

LIBYAN CONTRACT AWARDED--Cochin, Aug 10 (UNI)--the Government of Libya has awarded a 15 million US dollar contract to Turn-key Engineering Corporation, a division of the Cochin-based Khader's International Constructions Ltd., for the construction of 12 more mini-hospitals near Tripoli, the country's capital. [Text] [New Delhi PATRIOT in English 11 Aug 81 p 5]

YOUTH CONGRESS-I OFFICER--Mr Sanjay Singh MLA has been appointed president of the reorganised UP Youth Congress(I) Committee by Mr Ghulam Nabi Abad, MP and the president Indian Youth Congress(I). [Text] [New Delhi PATRIOT in English 11 Aug 81 p 7]

WOMEN IN EDUCATION--New Delhi, August 11 (PTI)--The ministry for education, culture and social welfare--largely a male citadel hitherto--passed today into the hands of an all-women group of policy-makers. Mrs Sheila Kaul, took over independent charge of the ministry yesterday from Mr S. B. Chavan on his moving to Yojana Bhavan. Mrs Anna Malhotra, first woman to enter the Indian administrative service in 1951, took over this afternoon from Mr T. N. Chaturvedi as secretary of the departments of education and culture. Simultaneously, Mrs Sarla Grewal took over from Mr A. S. Gill as secretary of the department of social welfare. The departments of education, culture and social welfare already has a good sprinkling of women officers as joint and deputy educational advisers. [Text] [Bombay THE TIMES OF INDIA in English 12 Aug 81 p 1]

DEFENSE MINISTRY CHANGES--New Delhi, August 11 (UNI)--Mr R. N. Kao, former chief of the Research and Analysis Wing (RAW), is being appointed adviser to the Union cabinet. Mr Kao, who is expected to take up the new assignment shortly, will advise the cabinet on matters relating to internal and external intelligence. Meanwhile, Mr P. K. Kaul took over as defence secretary. He replaced Mr K. P. A. Menon, who is to take up a new assignment in West Bengal. Mr M. C. Sarin took over as secretary for defence production. [Text] [Bombay THE TIMES OF INDIA in English 12 Aug 81 p 9]

**BURMESE BORDER CLASH**--Kohima, Aug 11 (PTI)--Twentyeight Burmese security personnel and eight underground members of the National Socialist Council of Nagaland (NSCN) were killed in a triangular encounter in the border area of Sawkhye on 17 July last according to delayed reports received from sources close to the underground set-up from across the border. The clash occurred between the NSCN the Pro-Phizo Shingnyu Group and the Burmese security forces the reports said. There was however no report of any casualty among the Shingnyu group they added. Meanwhile security forces have been alerted following a report of a possible attempt by the NSCN group to indulge in violence inside Nagaland on Independence Day official sources here said. [Text] [New Delhi PATRIOT in English 12 Aug 81 p 4]

**CPI-JHARKHAND CLASH**--Mindnapur, Aug 11 (UNI)--One person was killed and five were critically wounded in a clash between the armed supporters of the CPI and the Jharkhand Party in the Bhuliapata area near Nimpura under the Kharagpur local police station last evening, Police Superintendent D. C. Vajpayee said. District authorities had promulgated prohibitory orders under Section 144 Cr PC and had posted an armed police picket in the trouble-torn area. Mr Vajpayee said seven persons had been arrested in connection with the clash which was a sequel to inter-union rivalry in the industrial complex. The deceased was said to be a Jharkhand supporter. [Text] [New Delhi PATRIOT in English 12 Aug 81 p 4]

**NEW MANIPUR GOVERNOR**--Imphal, Aug 12--Mr Sayed Murzafar Hussain Burney was sworn in today as the Governor of Manipur at a simple but impressive function at Raj Bhavan here, reports PTI. Mr D. Pathak, acting Chief Justice of Gauhati High Court, administered the oath of office and secrecy to him. Mr Burney succeeds Mr L. P. Singh who was the Governor for the North-Eastern States. [Text] [Calcutta THE STATESMAN in English 13 Aug 81 p 11]

**NIGERIAN HIGH COMMISSIONER**--New Nigerian High Commissioner T. O. Asiwaju-dada presented his credentials to President N. Sanjiva Reddy at Rashtrapati Bhavan on Wednesday, reports UNI. Welcoming the new High Commissioner, Mr Reddy said that India is 'willing to share her experience with friendly developing countries like Nigeria' which is another step 'to strengthen the ties of cooperation between India and Nigeria.' Earlier presenting the credentials Mr Asiwaju-dada said that besides the common links India and Nigeria had found several common basic principles such as 'the pursuit of world peace and harmony, the belief in negotiation and the round-table rather than force and the battle-field for the settlement of disputes. [Text] [New Delhi PATRIOT in English 13 Aug 81 p 5]

**GULF INVESTMENT CENTER**--Bahrain, Aug 12 (PTI)--An Indian investment centre has been set up in the United Arab Emirates (UAE) for promoting investment from oil-rich countries in India. Based at Abu Dhabi, the centre will also examine the scope for Indian investment in the region and provide up-to-date advice on investment prospects in India. Mr S. A. Trizvi, who has been designated investment adviser in the embassy, said that he would spend at least two days every week in Dubai in view of the Emirates commercial importance. The Abu Dhabi office, the centre's first in the Middle-East, will cover all the oil-producing countries in the region. The centre's role is considered to be significant in view of the reported liberalization of investment rules by the Government of India in case of oil-exporting developing countries. [Text] [New Delhi PATRIOT in English 13 Aug 81 p 5]



BOOSTER ROCKET PLANS--India is working on a reuseable booster rocket like the one used in the US space shuttle according to Dr Abdul Kalam, head of the launch vehicle department of the Indian Space Research Organisation, says UNI. Speaking at a function in the Capital, he said the rocket, polar SLV now in the design stage, would be ready by 1986. These rockets will be parachuted to earth after launching the payload into orbit. Dr Kalam said it is vital for ISRO to enter in a big way into cryogenic engines, using liquid oxygen and hydrogen fuels. [Text] [New Delhi PATRIOT in English 14 Aug 81 p 1]

CSO: 4220/7561



ELEMENTS RESPONSIBLE FOR DISRUPTIVE ACTIVITIES IN BALUCHISTAN

Karachi JASARAT in Urdu 26 Jul 81 p 1

[Article by Abdus-Salam Salami: "What Is Happening in Baluchistan? Jews, Qadianis and Namrudis Are Misleading Baluchi Youths; Official Insignia of Namrud Is Printed on Title Page of Books Containing Misleading and Posionous Material" (Insignia Reproduced in 1-A)]

[Text] Subversive undercover elements have made Baluchistan the center of their hatred provoking activities. Every month, newspapers publish official news about the confiscation of such and such book or pamphlet under the Press and Publications Ordinance. Therefore, it can be easily concluded that severe propaganda against Pakistan and Islam is being conducted in Baluchistan and by creating a prejudiced atmosphere, a campaign is being carried out to promote hatred and schemes of separation. This is not unusual but it has gained momentum during the past year and a half.

The intensity of this propaganda campaign is aimed at misguiding and misleading the educated class and the younger Baluch generation away from Islam, Islamic history and culture and to cut asunder the ties of the universal brotherhood of Islam in order to achieve their vicious objectives.

This Propaganda material is published in English, Urdu and Baluchi languages. So far, three conspicuous groups are backing this propaganda campaign and now Israel has also joined them which causes great concern and danger.

AL-FAZL, an organ of the Qadiani sect, in its issue of 13 Aug 1948, published a speech delivered at Quetta by Mirza Bashir-ud-Din, head of the sect. In this speech, he expressed his desire to make Baluchistan the headquarters of the Qadiani sect. After the 1953 riots in Punjab, the Qadiani sect's leader testifying in front of the Inquiry Commission, alimed that the grandfather of the then Khan of Qallat belonged to the Qadiani sect and that he chose Baluchistan as the headquarters of his sect because it was a small province. A Baluchi leader in Karachi, Ghulam Muhammad Nur-ud-Din dispatched a sworn-in statement to the Inquiry Commission refuting that Khan of Qallat's grandfather belonged to the Qadiani sect.

According to records kept of these statements, the Qadianis had given consideration to Baluchistan ever since the establishment of Pakistan and they intend to make this province the center of their activities. Perhaps, Rabwah is not enough for them.

According to the Qadiani terminology, the word "Base" is used for military and political headquarters and according to a program under consideration, the Qadianis wish to make Baluchistan not only the center of their activities within the country but outside as well. Most of the people of Baluchistan are simple and staunch Muslims. That is why the Qadianis are engaged in underground activities there and are supporting those elements which could be helpful in attaining their goals. Close connection between Rabwah and Tel-Aviv is nothing new and now with the flow of Israeli books into Baluchistan, the suspicion that Qadianis intend to spread disturbance in Baluchistan with the co-operation of the Jews, is well grounded.

The second largest element of this anti-Pakistan propaganda campaign, is the so-called intellectual class which runs a publication institute under the name of the Baluch Academy for propagating its disruptive ideas. A book entitled the "Baluch Nasl" (Baluch Generation) published in English by M S Khan, endeavours to cut asunder relations between Baluchistan and Islam and links Baluchis with Namrud (Balus). This entire book goes on to prove that the work "Baluch" originates from Namrud and proudly declares that the Baluchis are the descendants of Namrud (Balus). Just as the anti-Pakistan and Islam elements in Sind proudly trace their ancestry to Rajah Daher, similarly, the so-called intellectual class takes pride in being the descendants of Namrud. The covers of books published by the Baluch Academy bear the insignia (reproduced below in 1-A) of the Namrud Government (Government of Balus) as its monogram.

1-A



Official insignia of Namrud is printed on the title-page of books containing misleading and poisonous material.

1-B: Plan of the Temple of Namrud as given in the Baluch Academy book entitled "Abluch Qabail" (Baluch Tribes). The top-most section has the insignia of the Government of Namrud.

During the past month, the Government of Baluchistan seized 8 books which were published in Israel containing Jewish propaganda. Obviously, there are some people acting as Israeli agents through whom literature from Tel-Aviv is being imported into Baluchistan.

Israel's designs are well-known. After a daring attack on Iraq's nuclear reactor, it has become apparent that with U.S. support, Israel can make any Islamic country its target of attack at any time. Pakistan is one of the leading Islamic countries and it has been internationally condemning Israel and its aggressive activities. Israel has very thoughtfully chosen Baluchistan as the center of its disruptive operations in Pakistan. In view of population, in spite of being a small province, Baluchistan is rich in underground treasures and geographically holds a strategic position. It is a region with access to the sea, rich in mineral resources, less population and has the potential to become the nerve-center for controlling politics in South-East Asia.

Besides these three groups, there is an active atheist element working under Russia's directions. By penetrating into Baluchistan's educational institutions, cultural center and other institutions which affect public opinion, they are working against the country's integrity; thus desirous of guiding their Russian masters towards the path of warm oceans.

Objectionable books, pamphlets and other literature are confiscated, but, neither anyone is arrested nor is the public aware of the sources especially Israelis who are responsible for the entry of such literature. Even the literature published in Baluchistan is only confiscated. There is no news of any action being taken against the press.

In view of the current serious situation, the Federal Government and the patriotic political workers of Baluchistan should unveil those elements which are debilitating the very foundations of the country and have become instruments of powers against Pakistan. Once the water has reached overhead, no-one can help from being drowned.

9779

CSO: 4203/111

## STATUS OF INTEREST-FREE BANKS REPORTED

London 8 DAYS in English 8 Aug 81 pp 36, 37

[Text] THE ISLAMIC system of banking based on participatory profits and losses, rather than straight interest on deposits, took another step forward last month when Pakistan's five nationalised banks declared the first batch of six-monthly dividends on profit-loss sharing (PLS) accounts.

Around Pakistan rupees 3bn (\$300m) has been invested in PLS accounts since their introduction last January. The highest annual rate of profit (9 per cent) was declared by Habib Bank, with the other four rates between 8.5 and 8.75 per cent. Term deposits made between 10.8 and 14.7 per cent, depending on the length of time involved.

The prevailing rates of interest on non-PLS savings bank accounts, which all the banks still also operate, 7.5 per cent for chequing accounts and 8.5 per cent for non-chequing accounts. Interest rates on term accounts are much higher, some large long-term deposits fetching up to 25 per cent a year.

PLS accounts are thought to make up 4.2 per cent of the country's total bank deposits — not such a bad showing, given that the system has only had 155 working days to prove itself. One bank chief executive said that the deposits were invested in commodity and trading operations, export and import bills, and the government-run National Investment Trust (which is also being operated as an interest-free institution).

The profits valued from bank to bank, it was stated, according to the amount of PLS money each attracted. Habib Bank's PR107bn (\$105m) was the largest slice, some 36 per cent of the total PLS deposits. Habib also claimed it managed a higher rate

of profit because its operational costs were comparatively less than other banks.

While individual banks announced the broad features of the first six months of PLS banking, there are no details on what particular business or commercial ventures the deposits were invested in.

Some bank sources even suggested that the six-month period was too short for any large-scale investments of the funds: it is worth remembering that deposits with the country's central bank, the State Bank of Pakistan bear interest at up to 10 per cent, while commercial lendings by the banks normally earn around 14 per cent. Payment of around 9 per cent or less as PLS profits could therefore easily be made without any commercial investments outside the banking world.

The chairman of the Council of Islamic Ideology, the state body advising the government in its Islamisation process, said that he regarded the public's response to PLS banking as not substantial: over 95 per cent of all bank deposits are still within the interest-bearing system.

But what seemed to worry him more was whether PLS funds were invested in ventures which were free from interest. Give the lack of precise information, the suspicion can still arise on whether they actually utilised for interest-free deals.

ALL MUSLIMS ASKED TO FIGHT ALONGSIDE MUSLIM BROTHERS

Karachi MORNING NEWS in English 20 Aug 81 p 5

[Text] The Jamiat-i-Ittehad-i-Alam Islami has appealed to all Muslims to volunteer to fight along with their Muslim brethren, to free the Arab lands and holy places.

The Jamiat also offered to bear all expenses of the volunteer, and said it would also look after the problems of their family if need arose.

According to a Press release of the Jamiat-i-Ittehad-i-Alam Islami, a conference will be held at Hotel Metropole on Aug. 21 at 3.30 p. m. to decide as to what action can Muslims take to free the Masjid-i-Aqsa. The meeting will be attended by diplomats of Islamic nations and officials of the Government.

Participants

Those who have confirmed their participation in the conference are Mr Abdullah Amin, Director-General Islamic Secretariat, Sri Lanka; Mr Abu Bakr, President of the Islamic Cultural Society, Japan; Mr Syed Pasha, General Secretary Union of Muslim Organisation, United Kingdom; Mr Khurram Murad, Director-General Islamic Foundation, United Kingdom and the Director-General, Islamic Foundation, Nigeria.

Various dignitaries have sent message of success. They include the President of Malaysia Tunku Haji, Ahmed Shah, the Kuwait Minister, Sheikh Abdul Aziz Hussain, Saudi Minister for Religion and Justice, Abdul Wahab al-Wasi, Saudi Minister for Industry, Dr Ghazi al Ghasibi, the Saudi Commerce Minister, Suleman Ahmed Salim, and the Ambassador of Pakistan.

August 21 is the day the Israeli's tried to stamp the mosque out of existence, the Press release added.

CSO: 4220/295

## SHORTAGE OF PULSES REPORTED

## Investigation Asked

Karachi DAWN in English 27 Aug 81 p 4

[Editorial: "Shortage of Pulses"]

[Text] **T**HE shortage of pulses which has hit the consumer all over the country points to the inefficiency of the agricultural sector in which recurrent shortages have become a regular feature. With the current shortfall in production, it is not really surprising that pulses of all varieties have either nearly disappeared from the market or are available at exorbitant prices. Prices first registered a sinister turn upward in March when gram prices rose by 58.6 per cent. Other pulses also showed a sympathetic increase in price by about 25 to 30 per cent. Now pulses are selling in the open market at prices that range between Rs. 10 and Rs. 16 per kilo. Although wholesalers and middlemen are known to have hoarded the pulses in high demand, aggravating the shortage, it is obvious that a shortfall in production has in the first place led to this situation. Hoarding and blackmarketing pay only when the supply and demand equilibrium is drastically upset.

Ad hoc measures by the Administration and the Pakistan Agricultural Storage and Services Corporation (PASSCO), which is a government-sponsored agency to help regulate agricultural prices, have failed to improve the situation and the prices of pulses have in some cases doubled during the recent weeks. In fact, the shortfall has been so acute that PASSCO was obliged to go in line with the open market trends and announce a rise in the prices of pulses by 25 to 31 per cent the other day. Moreover, for the first time the Government has had to arrange for the import of pulses from abroad. The crisis is expected to ease when the imported lentils begin to arrive next month. But given the high cost of the imported pulses, a fall in prices is not to be expected.

What, however, calls for serious investigation is the shortfall in the production of pulses and the failure of the Government to anticipate the present crisis. The gram crops

failed during 1979-80 and the impact of this began to be felt in the period July-March 1980-81 when, according to official figures, prices went up by over 50 per cent. If corrective measures had been taken then, we should not have been faced with this emergency today. It is even more important that efforts be made to step up the production of pulses. The fall in production is being attributed to the switching over by the growers to the cultivation of sugarcane and paddy which are fetching higher prices. If this is really the case more attention is due henceforth to an organised campaign to increase the production of pulses in the country and regain self-sufficiency in this crop which is a major item of diet of the common man.



## Prices Double

Islamabad THE MUSLIM in English 25 Aug 81 p 1

[Text] KARACHI, Aug. 24: With the stupendous increase in all varieties of dals (pulses) the well-known Urdu saying about the cheapness of the commodity "Ghar ki murghi dal brabar" has been rendered anachronistic and meaningless and the 'Ahl-e-Zuban' here have coined a new one: "Bazar ki dal Ghar ki Murghi brabar".

In three months time the prices of all varieties of dals have almost been doubled, and the prices per kilogram are now ranging between Rs. 12 to 14.

In restaurants and eating places the dish of dal is either not available or if placed on the menu the rates are equal to a single plate of mutton or even chicken with the addition of a little "baghaar".

The authorities say that the shortage resulting from bad crop and reduction in acreage of pulses will be over in couple of months' time when imported dals will be available in the market.

CSO: 4220/294

# BASMATI RICE EXPORTS TO MIDDLE EAST

Karachi DAWN in English 26 Aug 81 p 8

[Text]

Pakistan exported to the Gulf and the Middle Eastern countries 400,601 metric tons of rice valued at 285.33 million US dollars during 1980-81.

Saudi Arabia emerged as the biggest importer of Basmati rice with an intake of 107,601 metric tons worth 76.59 million dollars.

Iran was the next best importer of the Basmati rice with 100,308

metric tons valued at 72.29 million US dollars.

According to statistics made available, Pakistan's total rice exports during the year ended June 30, 1981 amounted to 1,244,673 metric tons valued at 863.99 million US dollars as compared to 1,086,674 metric tons worth 421.87 million dollars during the corresponding period last year.

Of the total exports, Basmati rice was 400,601 metric tons fetching 292.02 million dollars and other varieties were 825,019 metric tons worth 271.92 million dollars.

Camaroun topped the list of importers of other varieties of rice with an import of 228,401 metric tons worth 73.88 million US dollars followed by Ivory Coast with 183,481 metric tons valued at 61.15 million dollars.

Mr. Riaz Ahmad Naik, Chairman, Rice Export Corporation of Pakistan told Dawn that 326,484 metric tons of rice were yet to be exported out of the total commitments and their shipment would be completed within two to three

months, well before the arrival of new crop.

He said Pakistani rice was in great demand in 60 countries particularly in the Middle East and the Gulf States.

He said the Corporation could easily sell abroad as much as 1.5 million metric tons of rice if market available.

For increasing the rice production, Mr Naik said mere expansion in the acreage would not serve the purpose, instead more stress should be laid on increasing the per acre yield.

The RECP's Qasim and Landhi Godowns where its own cleaning and polishing plants have been installed have storage capacity of about 8 lakh tons. The cleaning capacity is stated to be 8.5 lakh metric tons.

# STEEL MILLS TO SAVE 2 BILLION RIALS IN FOREIGN EXCHANGE YEARLY

Islamabad THE MUSLIM in English 28 Aug 81 p 1

[Text] KARACHI, Aug. 27: With the commissioning of giant Soviet-aided steel mills at Pipri by President Ziaul Haq of Pakistan on Aug. 31, Pakistan will start saving Rs. 2,000 million per annum which it spends on iron and steel imports in foreign exchange.

Situated about 20 miles east of Karachi with a fast rising Mohammad bin Qasim Port in its neighbourhood and upcoming Export Processing Zone, the giant project is spread over an area of 18,623 acres with its own township and a modern metallurgical training centre.

Already pulsating with life, a total of 34,000 persons are deployed at the site out of which 18,487 are directly employed with the mills.

The authorities expect to sell the products of the mills within the country at a price equal to the

landed cost of the imported items which is a good beginning on the road to self-reliance.

The 11 lakh tons per annum production capacity project will be completed at a total cost of Rs. 25,220 million by 1985-86.

Two-thirds of the finances of the project have come from the Soviet Union in the form of various soft credits which in roubles are equal to about 1,580 million.

The first blast furnace of the mills, whose foundation stone was

laid in December, 1972, was ignited on Aug. 14 last, unleashing a new era of technology, engineering, and economic activity, as stated by the Chairman of the Pakistan Steel Mills Corporation, H.N. Akhtar in an interview to a weekly.

The mill is already producing its own electricity to the tune of 50 megawatts out of which 45 megawatt are being supplied to KESC as it needs only five mg for its requirements.

## OPENING OF STEEL MILLS TERMED 'RED LETTER DAY'

GF041049 Karachi DAWN in English 31 Aug 81 p 21

[Editorial: "Steel Mills--A Landmark"]

[Text] With the formal inauguration of the Pakistan steel mills today by the president of Pakistan, the country has come to realize its decades-old ambition of being able to undertake the production of steel. The commissioning of the first phase of the integrated steel mills is a red letter day in the economic history of Pakistan. It is an event which marks an important stage in the striving to achieve self-reliance in a crucial area of industrial upbuilding. Partial working of the complex actually started when the coke oven battery No 1 was charged and the first lot of coke was taken out in April last, preceded by the commissioning of the thermal powerplant which attained a load of 55 Mw. Pig iron casting will start with the formal inauguration of the blast furnace No 1 with pig casting machine, which has already undergone successful trial production. Pakistan is thus ready to join a select but growing number of developing countries that produce their own steel. The story of the endeavor to cross the threshold of steel technology has been one of repeated frustrations caused by ineptitude, failure of planning and lack of political will. These factors have delayed the establishment of a steel mill by about 2 decades whereas several other developing countries less favored than Pakistan in the matter have gone ahead with their programs. However, once the foundation of the steel complex was laid in December 1973 work on the project has proceeded more or less satisfactorily barring some delays that were inevitable in an undertaking of such a magnitude. The full production level of 1.1 million tons per year will be achieved in 1985-86 at a total cost of over Rs. 13 billion as against the original estimates of Rs. 9 billion. Production capacity can be raised subsequently to 2 million tons.

The steel complex is being built with the technoeconomic assistance of the Soviet Union which has provided credits totalling 700 million U.S. dollars on soft terms. That work on the giant project has progressed smoothly and without interruption despite important political changes in the region and the resulting strain on ties between Moscow and Islamabad testifies to the soundness of the two countries' approach to mutual economic cooperation. The Soviet contribution to the progress of the enterprise has been pivotal and decisive. It has been responsible for feasibility studies, designing, supply of machinery and equipment, installation, technical supervision and commissioning of the main plant with the help of 800 Soviet experts and technicians. Some units of the main plant have been procured against French and Japanese credits from other countries. An important feature

of the project is that Pakistani participation in the actual implementation of the project, including fabrication of steel structures and non-standard equipment, has been substantial. Civil, mechanical and electrical jobs at the main plant of a size never attempted before are being handled by Pakistani firms which have thus gained valuable expertise and experience. The steel mills are based on the imports of iron ore and coal, the right quality of which is not available locally but domestic raw materials like limestone, dolomite, fluorite, etc., will also be used in large quantities, thus giving a fillip to local mining industries. The civil works at the mills are providing employment to thousands of semiskilled and unskilled construction workers, most of them engaged by contractors. When in full production, the integrated mills will employ a skilled force of 15,000, of whom about 1,500 will have received training abroad.

Besides, Pakistan's domestic consumption of steel, which is one of the world's lowest at 12.52 kg at present, will increase when the full cycle of production is attained, yielding a mix of coke, pig iron, billets, hot rolled sheets/strips, cold rolled sheets/strips, galvanized steel and formed sections. Byproducts like gases for power generation, fertilizer, ammonium sulphate and benzol will help effect savings on imports. Possibilities of downstream production units of tin-plate manufacturing, welded pipes, wire rods/wire, structures and rails are bright. Indigenous steel will give a fillip to capital goods and engineering industries, which constitute the backbone of a modern industrial economy and form the basis for the development of industries which manufacture intermediate and durable goods. The assurance that despite the heavy over capitalization, the Pakistan steel mills will still offer their products in the market at the prevailing competitive rates is welcome. A great feat has been achieved. Rapid progress in the acquisition of steel technology and in the completion of the remaining phases of the project will go a long way in the fuller realization of the great potentialities offered by the steel-making enterprise.

CSO: 4220/293

# NWFP GOVERNOR CALLS FOR LABOR, MANAGEMENT COOPERATION

Peshawar KHYBER MAIL in English 24 Aug 81 pp 1, 6

[Text]

A high-level meeting presided over by NWFP Governor Lt. General Fazle Haq Saturday reviewed the law and order situation in NWFP.

The meeting, which was attended by the Provincial Ministers, Deputy Martial Law Administrators, Chief Secretary and Secretaries to Government, Divisional Commissioners, Deputy Inspector Generals of Police and Deputy Commissioners, expressed satisfaction over the existing law and order situation all over the province.

The meeting was told that there had been a substantial decrease in crime during the first half of the current year.

The Governor, however, directed the law and order agencies to introduce more effective measures to further curb the incidence of crime.

The meeting also took stock of the disposal of criminal cases and expressed satisfaction over the speed of disposal of cases in the courts. The Governor, however, gave necessary directions to the concerned quarters to further speed up disposal of pending cases.

He also directed the district authorities to take special measures to arrest the proclaimed offenders and bring them to book.

The meeting reviewed the labour-management relations in the province. The Governor stressed that both the labour and management should work

in close cooperation to produce more in order to make Pakistan self-sufficient industrially and prosperous economically.

The Governor he said, would see to it that the labour rights are not infringed upon and on the other hand the government would also ensure that the prevalent industrial peace of the province is not tampered with.

The Governor said that any attempt in this respect would not be tolerated, but would be dealt with an iron hand.

Lt. General Fazle Haq expressed the hope that both the labour and the management would realise national obligations by striving relentlessly for boosting the industrial production.

The Governor directed the District and Divisional administration to keep a vigil over the corrupt elements in the government machinery who were eating up at the vitals of our society.

The prices of essential commodities in the province also came under detailed discussion.

The Governor advised the Deputy Commissioners to convene the meeting of district price review committees regularly in order to keep the prices of essential commodities under constant check.

The Provincial Governor revealed at the meeting that a provincial board would be set up to supervise preservation of wild life in NWFP.

The board, which would be headed by the Governor himself, would include at least one representative from each Division of the Province.

Similar organisation at the Divisional level would also be set up, he added.

The Governor advised the District and Divisional authorities to take effective steps to protect and preserve wild life in the Province.

Lt. General Fazle Haq advised the authorities to assess the damages caused due to recent floods and rains in the various parts of the Province and send their reports to the Provincial Government for further action. He also asked the Deputy Commissioners to ensure that the facility of interest-free loans by the commercial banks is properly utilised by the genuine farmers of their respective areas.

The NWFP Governor appreciated the services of



senior Provincial Government functionaries, NWFP Police and Commissioner Afghan Refugees, NWFP.

He expressed the hope that this tradition of honesty, efficiency and dedication would be kept alive and the seniors would inculcate the same spirit amongst their juniors.

CSO: 4220/295

# ATTEMPT TO SMUGGLE CONTRABAND FOILED

Karachi DAWN in English 27 Aug 81 p 12

[Text]

An attempt to smuggle contraband goods worth Rs. 1.3 million from NMB Wharf and airport was foiled by the Special Checking Squad of the Customs in two simultaneous raids yesterday.

The Customs Investigation Cell has mounted its probe against main dealers who organised and manipulated the import of contraband articles either by misdeclaration or by committing additions/alterations in the Customs "A" Form — a declaration of goods by passengers coming from abroad in respect of goods as 'unaccompanied' articles.

The huge quantity of contraband goods seized included refrigerators, colour TV sets, transistor radios, cosmetics, tetron, art silk cloth, readymade garments, radio-recorders and washing machine.

A customs spokesman said that the goods worth about Rs. 5.83 lakh were imported under the guise of passengers' bona fide baggage but contained banned and prohibited items awaiting clearance in the Unaccompanied Section at Airport when the Custom hounds busted the racket and seized them.

The other raid was carried out at the NMB Wharf from where "imported" goods worth Rs 4.75 lakh were seized while an attempt was being made to clear them on forged "A" Forms of Customs with the connivance of some Clearing Agents.

Some Clearing Agents who had filed documents for clearance of such goods under forged "A" Forms are being questioned. No arrest was reported but after completion of preliminary investigations the Customs hope to round up all those involved in this racket.

## RE-ORGANISATION

Meanwhile, Pakistan Customs Intelligence and Investigations Directorate is being re-organised to eradicate the menace of smuggling.

Mr S.T.R. Zaidi, the new Director, is understood to have issued a directive to all heads of all the Directorate in the country to gear up anti-smuggling efforts.

He has also appealed to the public to pass on information about the activities of smugglers to the Directorate. He assured them that their identity would not be disclosed and cash rewards would also be paid to them.

# SMALL-CAR MANUFACTURING PLAN DELAYED

Islamabad THE MUSLIM in English 25 Aug 81 p 1

[Article by Jawaid Bokhari]

[Text] KARACHI, Aug. 24: Pakistan's scheme for manufacture of small cars, whose latest feasibility report has been under scrutiny for the past 18 months, is held up for unidentified reasons, it was gathered here today.

Import of cars has picked up fast in the past few years under the gift scheme and is now estimated at over 110 dollars.

Black money is financing the booking of cars and the city market is flooded with all types and brands of vehicles.

On the other hand scheme for manufacture of small cars which includes a programme for deletion of 75 per cent of imported components in five years and effecting economy in fuel, is being held in abeyance on one pretext or another.

Lately, the NDFC which was entrusted with the scrutiny of the feasibility report on joint production of Suzuki cars, vans, pickups and jeeps has given an ambiguous report.

On the other hand, Suzuki Motors has joined hands with Isuzu Motors of Japan and General Motors of the United States to "swap shares, engineering know-how and production facilities to

bring on stream a minicar "S" which the General Motors hopes to begin manufacturing in Spain.

Weekly Newweek reported on Aug. 17 that "Suzuki is the most successful minicar producer in the world, but the firm's autos have been excluded from the U.S. market because they do not meet strict American safety and emission standards."

The magazine further reported: "now Suzuki will help G.M. and Isuzu—G.M.'s Japanese affiliate—to develop a new minicar that may eventually meet U.S. standards and open up the American market to Suzuki's own tiny, fuel-efficient automobiles as well."

At present over 25,000 Suzuki vans, pickups, and cars are imported into Pakistan annually excluding the Suzuki jeeps.

Experts here believe that with the common components being used for the different vehicles, an economically viable production is possible.

Moreover, the feasibility report suggests that locally assembled small cars would be available between Rs. 48,000 to Rs. 50,000 depending on the "category" of the importer.

Experts here believe that like the Karachi Steel Mills, the car assembly-and-manufacturing plant is being delayed under pressure from the car import lobby.

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